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Daily Report

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Daily Report

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International Press Institute Assembly Concludes

Former U.S. State Secretary Arrives

*SK1605124895 Seoul YONHAP in English
1237 GMT 16 May 95*

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — Former U.S. Secretary of State James Baker flew into Seoul Tuesday afternoon to give a speech at the 44th General Assembly of the International Press Institute (IPI) now underway in Seoul.

At an airport press conference, Baker said he believes press freedom has been expanded significantly along with political democratization and economic development in South Korea.

Asked about his view of the current Korean situation compared with the time he was in office, Baker said it seems there is no basic change as developed capitalistic South Korea remains pitted against dictatorial North Korea.

"However, I believe South Korea's political and economic standing has been much elevated since," he said.

On the North Korean nuclear question, the former U.S. state secretary said he regards the issue as highly serious, adding that he has outspoken its seriousness at every opportunities in the United States.

Mr. Baker is set to deliver a keynote speech at an IPI symposium on "Asia, America and New Europe" Wednesday.

James Baker on DPRK, Japan, PRC

*SK1705082095 Seoul YONHAP in English
0810 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — James Baker, former U.S. secretary of state, suggested Wednesday that the Clinton administration reinforce America's military presence on the Korean peninsula to get Pyongyang to honor the framework agreement freezing its nuclear facilities.

Baker, speaking to hundreds of senior journalists from 45 countries at the Lotte Hotel where the 44th General Assembly of the International Press Institute (IPI) is presently being held, criticized the Clinton administration, saying "The Clinton administration's nuclear agreement with Pyongyang marks a dangerous step backwards."

"By acknowledging North Korea's status as a de facto nuclear power, the agreement has bolstered one of the world's most irresponsible regimes and raised doubts about our resolve throughout the region," Baker said at the seminar on "Asia, America and the New Europe."

Baker insisted that it will be too late for the Clinton administration to change course, but added that it will not be too late "to hold the North to the letter of its agreement, or to signal our commitment to the South by beefing up our forces on the peninsula and by developing and deploying an advanced theater missile system."

Criticizing the Clinton administration for abandoning the U.S. Government's 40-year approach to the North Korean issue characterized by the 'reasonable balance of carrots and sticks,' by agreeing to the Pyongyang-Washington agreed framework, Baker expressed suspicion over the North's willingness to fulfill the agreed framework.

"I think it is dangerous," said the former secretary of state, "the regime is quite unpredictable."

He, however, said the agreed framework should be supported, although it is not particularly popular.

On the issue of the trade dispute with Japan, Baker criticized Japan for its unwillingness to address the huge trade imbalances, although he supported efforts by Japan to expand its international role to a level commensurate with its economic power.

Tsutomu Hata, former Japanese prime minister, however, said that Japan will bring the case to the World Trade Organization (WTO) for dispute settlement, adding that Japan will not accept the calculated targets in bilateral trade presented by the United States.

Speaking at the seminar just after Baker concluded his speech, Hata urged American companies to make efforts to improve the quality of their products instead of imposing trade sanctions on Japanese goods.

James Baker also suggested that Asia-Pacific countries should transform the Asia-Pacific Economic Cooperation (APEC) free trade and investment body for mutual prosperity.

Touching on the China issue, he proposed the world take an approach which balances support for democracy in China with continued efforts to deepen Beijing's economic links with the outside world.

Otherwise, China will face turmoil or even military dictatorship when the existing leadership passes from the scene, he claimed.

Panel Endorses Economic Growth

*SK1705080995 Seoul YONHAP in English
0722 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — Economic development should be well underway before a country can introduce democratization, panelists

agreed at Wednesday morning's discussion at the International Press Institute (IPI) world congress and 44th General Assembly programme.

Members on the panel entitled "Democratization and Economic Growth" gave examples from their own countries' developmental experiences, adding historical facts to political theories, proving instances where nations have succeeded or failed in trying to implement these two concepts.

Henrikas Yushkiavitshus, assistant director-general for communications, information and informatics at UNESCO and the guest speaker of the panel discussion, however, pointed out that economic growth and democratization can be mutually exclusive and can also work together. "The experiences of any country around the globe show that both schools of thought have been proven right and wrong."

With the opening of markets in superpower nations, such as China and Russia, panelists agreed that it is a critical time to watch the policies of these nations to analyze current political democratization.

All the panelists acknowledged that Russia's decision to embark upon glasnost and perestroyka was premature, as the economy was not prosperous enough for the nation to undergo the democratic transition. As a result, the country has suffered an incredible economic crisis and has sprouted a widespread black market and Mafia underworld.

"It happened the wrong way around in Russia," Crocker Snow, Jr., editor-in-chief of THE WORLD TIMES, stated.

Meanwhile, Snow added, China "assiduously avoided political reforms during the 1970s, rather planting the first seeds of market socialism among farmers in the countryside first." This example of political moves towards a market opening led to China's position in the world economy today.

"In the meantime, China, which maintains the Communist Party's dictatorship, has been enjoying robust economic development so far," Yoichiro Ichioka, board director and chief editorial writer for the NIHON KEIZAI SHIMBUN, asserted.

"Economic growth seeks decentralization of policy decision-making and makes the society more information-oriented," Ichioka explained. "(South) Korea, by all means, is a good example."

Panelists agreed that Korea's previous economic stability led to the possibility of democratization and globalization that is being trumpeted by the Kim Yong-sam administration.

In his presentation, Yushkiavitshus stated, "South Korea can provide an on-the-spot example of how these different perspectives can be accorded successfully."

However, the sole Korean panelist, Hong Sok-hyon, president and publisher of the CHUNG-ANG daily news, outlined his interpretation of Korea's move to democracy, claiming that it was not a deliberate policy, but a result of the country's history of colonialism and fraternal war.

The military authoritarian regime that has been in power in Korea for the past three decades was a necessity for national security and was the reason for the country's economic stability.

"Under this regime, economic well-being and economic growth was emphasized," he declared. "It was only when Korea had established itself as a newly industrializing country...did it set about the business of democratization."

But Hong also warned about applying theories of successful countries, such as Korea, to other nations that may not be prepared for the same changes.

"The early introduction of democratization is a luxury that most developing countries cannot afford," he frankly stated.

During the question and answer session that followed the panelists' presentations, Wilfred Kiboro, managing director of Nation Newspapers, Ltd. in Nairobi, criticized the panels for not addressing the development of African nations, suggesting hypocrisy on part of the East-West dialogue.

The Kenyan journalist explained that as a continent with the largest number of poor nations, Africa is heavily reliant upon donor countries, such as the United States and Japan, to help stimulate their stagnant economies. But these countries are threatening to cut aid if the African nations do not first demonstrate democratic practices and institutions.

"I think there is ample evidence in this panel to show it is not necessary to have democracy first before you can achieve economic growth," he remarked, and pointed out the paradox in their statements.

"When someone does not have enough food to eat in the evening, I don't think that they care if his leader is autocratic or democratic," he insisted. "I think the issue is much more fundamental."

In conclusion, Diane Ying, commonwealth publisher and editor from Taiwan and a newly elected IPI general assembly board member, warned that even if economic growth is achieved first, it does not ensure stability.

She stressed that its imperative to improve and perfect the three pillars of democracy: A free press, a democratic process and the rule of law. Without these implemented, she stated, the economic growth that countries work so hard to achieve can easily disintegrate.

ROK Freedom of Press Discussed

*SK1705043595 Seoul YONHAP in English
0129 GMT 17 May 95*

[By Katherine Yungmee Kim — all names as received]

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — The preamble to the constitution of the International Press Institute (IPI) states that the media organization works towards the "Furtherance and Safeguarding of Freedom of the Press." As the IPI world congress and 44th general assembly programme is being hosted in Seoul this week, it is generally perceived as an event symbolizing the full opening of the Korean press. However, it remains a complex issue, as the viewpoints of IPI delegates vastly differed from the opinions of local journalists.

At the opening ceremony of the gathering on Monday morning at Kyongbok Palace IPI Chairman David Laventhal summed up the general consensus towards Korea sponsoring this global media convention, extolling the progress of the Korean press. "During the last decade," he proclaimed, "Korea has seen the rise of a free press, a vital cornerstone to any democracy."

The sentiment was echoed in Tuesday morning's first panel discussion entitled, "Country Reports on the Situation of the Media," when Maximo Solivan, publisher and chairman of "THE PHILIPPINE STAR" in Manila, raised Tuesday's edition of "THE KOREA HERALD," one of the English-language dailies in Seoul, pointing out a headline on the national page.

Solivan lauded the significance of the headline that declared, "Pres. Kim's Brother-in-Law Arrested on Charges of Influence-Peddling," and used it as a prime example of Korea's free press movement. "Congratulations Korea," he praised. "You've come a long way."

The writer of the piece, a city desk reporter at THE KOREA HERALD, Chon Kwan-u, agreed that his article was a sign that the press is moving in the right direction, but commented that the change in the journalistic environment has been recent.

"I had no fear in writing this piece," Chon stated, "because I believe that the new government is different from the past bureaucratic, authoritarian governments."

"But I think in the past year, (THE KOREA HERALD) has become more vocal as the press situation in Korea

has developed a lot," he added. "The Korean press is no longer obstructed by officials."

On the whole, delegates' opinions at the conference varied on the situation of the press in their native countries. Cristinel Pompiliu Popa, vice president of the broadcasting company, Tofan Group, in Bucharest, was surprised by the general free thinking that he perceived in the Korean people and described his previous impression.

"Ceausescu was very good friends with North Korea, so every evening during his reign, the only news that we saw about South Korea were fights between the police and the students, the government and the unions. I find it is very different," he observed.

"I was really impressed by the way Korea prepared the IPI conference," he added. "It is really an event."

Like other delegates, however, he admitted that he did not know very much about the press situation in Korea.

"I have only been here for three days. I have read one newspaper, but I cannot understand any of the Korean broadcast programs," the sole Romanian delegate opined.

Michael Hayes, publisher and editor-in-chief of the PHNOM PENH POST also pleaded ignorance. "From what I've heard, there's a major transition in the way that favors press freedom. The English-language papers seem relatively open."

But he admitted he didn't know about what was going on in the Korean press. "The key is in the Korean-language papers. Foreign language papers have more leeway because the authorities don't have to worry about them stirring up a controversy. Not that many people can read them."

And indeed, some reporters from Seoul's vernaculars were relatively critical about the freedom of the press in Korea, claiming that the government has a lot more influence than is generally perceived.

"I think that Korea has changed, and that change has been important," Yim Ho from the SEGYE TIMES remarked. "The IPI conference will make a change. Relatively."

But Yim's comments regarding the conference were cynical, as he understood that the common belief among the delegates was that Korea had reached its pinnacle of press freedom. As a reporter for a Korean-language daily, he had much criticism against Seoul's two English-language dailies, which were distributed to the participants in the conference.

"The delegates don't know the situation of the Korean press because they only read the Korean English-language papers," he complained. "Those papers are always right-wing because they normally get their information from the government."

"They get government reports and documents, translate them and make them into stories," he explained.

The reporter detailed the differences for Korean vernaculars. "If you want to create a newspaper, you must register with a government ministry. Then it becomes like a chain, as the ministries are afraid of reporters and the reporters are afraid of the ministries."

To fully elaborate on the extent of this perception, Yim quoted a "joke" among local journalists. "During the military regime, newspapers were forced to make good stories about the government, but nowadays, the reporters do it themselves."

When asked if he felt that there was any government pressure to command ruling party activities, Yim only said, "the president doesn't say anything, but the newspaper reporters know what to do."

Christopher Beaudoin, an American journalist at the CHOSON ILBO, a widely-read vernacular, added, "there is a different relationship between the CHOSON ILBO and the government than there is between the THE NEW YORK TIMES and the (American) Government.

"The paper tries to keep close links to the government," he continued. "Kim Yong-sam's important men used to work for the CHOSON ILBO, as did the mayor of Seoul.

"In a way, that is censorship," he affirmed.

But journalists don't feel that the apprehension to write freely stems from direct government reprimands, they say it seems due largely in part to a psychological scar on the minds of journalists who reported during more oppressive eras.

"I think (the fear) has resulted from the pressure from the governments in the past," THE KOREA HERALD reporter conferred.

But interestingly enough, Chon believed that large conglomerates, or "chaebol," in Korea posed a more serious threat to the objectivity of the Korean media.

"Nowadays," he concluded, "the government's pressure is not as big as entrepreneurs' pressure, especially the chaebols. The owners of conglomerates can exert a powerful influence on the press by means of advertisements."

But a long-time observer of the Korean press situation had more positive comments about the press situation in Korea. Gil Santos, vice president and publisher of "THE JOURNAL GROUP," a publication of Philippine Journalists Inc., and former Associated Press correspondent said, "I've seen it and known (the press situation). Korea has more freedom than before."

When asked about the issue of self-censorship among Korean journalists, Santos replied that it was not a problem among only the Korean press, but cited the Indonesian, Malaysian and Singaporean media as well.

"There is self-censorship here, however, you are free to ask questions and write stories but they may not see print," he conceded. "You can produce a show, but it may not see the (light of) day.

"And so in a strict sense," he admitted, "there is not a freedom of the press."

But Santos continued on a optimistic note, adding the example of YONHAP Television News purchasing news clips from abroad and feeding it into their 24-hour broadcast in Korea.

"Where is it leading?" He posed, then answered his own question. "It's leading to true press freedom.

"It's an evolutionary thing," he forecast, "and they can't stop that."

Media Control Resolutions Adopted

*SK1705085295 Seoul YONHAP in English
0834 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — The world congress and 44th General Assembly of the International Press Institute (IPI) adopted four resolutions Wednesday urging freedom of press in Algeria, Myanmar [Burma] and Russia, and deplored continuing governmental control of the press and mass media in other countries.

Concluding its three-day annual meeting held at the Lotte Hotel, in downtown Seoul, the IPI, representing over 2,000 editors and media executives from 85 countries, "Most strongly condemned the murders of more than 40 journalists in Algeria since the beginning of the current wave of violence."

"All journalists are shocked by the extent and cruelty of these murders and other acts of violence," said the resolution released by the IPI.

The IPI, denouncing Algerian Moslem fundamentalists for having targeted journalists to prevent the free flow of information into and out of Algeria, and the Algerian Government for suspending the operation of newspapers

to prevent criticism, urged both offenders to stop using violence to suppress journalists and to begin dialogues to end the conflicts as soon as possible.

It also expressed extreme concern over the continuing acts of brutality performed by the military regime in Myanmar (formerly Burma), in its attacks on free speech in the media and other areas of society.

The resolution on Chechnya protested that Russian authorities continue to obstruct access to battlefield information, urging them to improve access by journalists "because present developments threaten the whole democratic process in Russia."

The resolution on non-democratic media control, meanwhile, deplored continuing governmental control of the press and mass media in countries that profess to be democratic.

"Editors and media executives from around the world were told that Indonesia and Singapore still rigidly supervise not only their own media, but hinder foreign media seeking news and information," the resolution stated.

It also denounced Malaysia for using an internal security law to clamp down on government dissent.

General Assembly Meeting Ends

*SK1705092095 Seoul YONHAP in English
0859 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — The International Press Institute (IPI) world congress and 44th General Assembly programme held in Seoul this week ended with a standing ovation honoring the Korean organizing committee's successful work and the announcement of next year's conference venue of Jerusalem and Jericho.

David Laventhal, editor-at-large of THE LOS ANGELES TIMES and chairman of the IPI for the past five

years, stepped down from his position, handing the title over to his successor, Peter Preston, editor-in-chief of the GUARDIAN and the OBSERVER.

Israel's sole delegate, Ido Joseph Dissentshik, director of Dison Ltd. spoke on the official announcement of Jerusalem and Jericho as the sites for next year's media confab.

The Palestinian delegate was not available as she notified the committee that she would be unable to attend the Seoul conference.

IPI officials are currently negotiating with Jordanian officials to hold a three-country, three-city meeting that will start in Amman, Jordan, then continue in Jerusalem and then Jericho. For now, however, the conference, entitled "The New Frontier of IPI" is tentatively scheduled to be held from March 24 to 27, 1996.

Pang Sang-hun, president-publisher of the CHOSON ILBO delivered the closing remarks, appreciative of the influence the meeting gave the media in Seoul and proud that the visiting journalists could see for themselves the changes which have taken place in Korea.

"Perhaps the conference's greatest achievement has been our lively exchanges concerning press freedom," he commented. "Clearly the Seoul session will serve as a catalyst for the continued pursuit of press freedom and the advancement of journalism.

"I am especially pleased that this meeting has allowed IPI members to witness the level of democratization Korea has achieved," he added.

Pang was elected Wednesday as the new vice chairman of IPI's executive board, along with Johannes Gross, publisher of GRUNER and JAHR AG and CO., from Germany, and Cushrow Irani, managing director and editor-in-chief of the STATESMAN LTD., from India.

Japan**Reports on U.S. Retaliatory Moves Against Tokyo****Tokyo Takes Dispute to WTO**

*OWI705133095 Tokyo KYODO in English
1307 GMT 17 May 95*

[FBIS Transcribed Text] Geneva, May 17 KYODO — Japan filed a complaint with the World Trade Organization (WTO) on Wednesday [17 May] against the United States over its retaliatory moves on disputed auto trade.

The Japanese Government notified the new global trade referee of the step via the permanent mission of Japan to international organizations.

Japan took the case to the WTO on the grounds that America's proposed 5.9 billion dollars worth of sanctions against Japanese luxury cars violate WTO rules, Japanese officials said.

Meanwhile, the U.S. Government has already told the WTO that it will lodge a complaint with the trade body against what it views as unfair trade practices in the Japanese auto industry.

The moves by the world's two largest economic powers are expected to expose the WTO to the first major test of its leadership since its creation at the start of this year.

On Tuesday, Washington released a preliminary list of Japanese luxury cars targeted for punitive tariffs of 100 percent under section 301 of the 1974 U.S. trade law.

In Tokyo, trade chief Ryutaro Hashimoto indicated Wednesday that Japan is also ready to resort to retaliatory steps if the U.S. goes ahead with its sanction plans.

WTO Director General Renate Ruggiero warned Tuesday against the expected retaliation by the two countries over their auto trade dispute, the only unresolved sector among the three priority areas of the bilateral "framework" talks launched in the summer of 1993.

"What is now at stake is not the functioning of the WTO but the credibility of the engagements freely entered into by these parties," said Ruggiero said.

Under WTO procedures, Japan and the U.S. are first to be given a chance to settle the dispute via bilateral negotiations, which would be followed by the launch of a dispute settlement panel.

In bringing the case to the WTO, Japan is believed to have sought a fast-track dispute settlement procedure, apparently because it fears the proposed U.S. sanctions will have a serious impact on Japanese industry.

Following the WTO filing by Tokyo, Japan and the U.S. will likely begin bilateral talks under the WTO within 10 days.

The two countries will be given 20 days to resolve the dispute on their own, before shifting to three months of discussions in a dispute settlement panel.

A dispute settlement panel under the WTO has stronger enforcing power than one under its predecessor, the General Agreement on Tariffs and Trade.

A centerpiece of the new panel is a negative consensus system, a judicial mechanism that no longer allows a member country to block panel findings.

Specifically, findings prepared by the panel will automatically take effect unless there is a unanimous consensus to reject them, meaning that only a single vote in favor of a finding is needed for adoption by the WTO.

If Washington were to appeal against the first panel decision and bring the case to a higher-ranked WTO organ, an additional three months would be needed for a final solution to the dispute, which could strain overall bilateral ties.

Tokyo To Ask WTO 'Emergency' Handling

*OWI70513695 Tokyo KYODO in English
0121 GMT 17 May 95*

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Japan will ask the World Trade Organization (WTO) on Wednesday [17 May] to deal with the auto trade dispute between Tokyo and Washington as an "emergency" matter, Japan's trade minister said.

International Trade and Industry Minister Ryutaro Hashimoto also suggested Japan is prepared to take retaliatory measures against the United States in late June, saying the government will make a decision after checking the final U.S. list of sanctions against Japanese auto imports.

Hashimoto made the remarks at an urgently arranged press conference the day after U.S. Trade Representative Mickey Kantor issued a preliminary list of sanctions totaling 5.9 billion dollars against Japanese cars. In the list, 13 Japanese luxury car models are targeted for 100 percent punitive tariffs.

According to the tariff list, the duties would take effect tentatively Saturday but the decision would become final only June 28 after a period allowed for public comment.

Hashimoto said that the unilateral U.S. sanctions on Japan will also damage the interests of U.S. consumers and workers, adding that some 2,000 U.S. auto dealers

and 60,000 employees are dealing in Japanese luxury automobiles targeted in the list.

The trade minister also predicted that American parts imports by Japanese automakers will be reduced by 10 percent if the U.S. punitive measures in the preliminary list are implemented in full.

Hashimoto said that Japan is determined to realize its pledges on measures to expand imports and to promote deregulation step by step.

Sakamoto Comments on Retaliation

OWI705083995 Tokyo KYODO in English
0831 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Japan has not yet decided whether to match U.S. retaliatory trade sanctions, Tokyo's top trade negotiator said Wednesday [17 May], admitting such countersanctions would violate global trade rules.

"There is a possibility that we may be forced into presenting retaliatory measures," but Japan wants to avoid such a move as it could cause "confusion" in the fledgling World Trade Organization (WTO), said Yoshihiro Sakamoto, a senior Ministry of International Trade and Industry (MITI) official.

The MITI vice minister for international affairs told a news conference of foreign and Japan reporters that he has not heard of any specific proposals for Japanese sanctions against the U.S.

"We have not yet decided," Sakamoto said, speaking mostly in English. But he joked, "it could be a good idea."

Japan will "watch the situation of the U.S.A.," where the public is allowed 30 days to respond before Washington issues its final sanctions list.

Japanese Government officials have told KYODO NEWS SERVICE that U.S. trucks, buses and semiconductors are under consideration as targets for sanctions to match the 5.9 billion dollars in tariffs the U.S. announced Tuesday on Japanese luxury cars over Japan's allegedly closed car and parts markets.

Sakamoto agreed with the suggestion that Japanese sanctions would be a "violation of WTO rules by introducing the 'counter-retaliation' on the Japanese side," but said it would be seen as unfair for Japan to refrain from reacting, possibly for a year or more, while the bilateral dispute is being argued at the WTO.

Sakamoto confirmed that Japan plans to begin procedures later Wednesday to file a complaint with the global trade referee in Geneva, as the U.S. did earlier this month.

Sakamoto said it is too early to discuss whether Prime Minister Tomiichi Murayama and President Bill Clinton will take up the auto issue when they meet in mid-June for a summit of seven major powers.

He did not rule out bilateral talks outside the WTO but said it is MITI's position "to have talks in a multilateral forum" and that "I hope our position will be maintained."

"It would not be easy for the two countries to find a solution in the near future through bilateral discussions," Sakamoto said, but "if both sides are trying to find some reasonable agreement, the Japanese side is quite open and I believe the U.S. side is open to more negotiations."

And yet, the chief negotiator gave little indication that a deal is possible. Tokyo has already made "maximum concessions" in the auto trade talks which broke down May 5 and "simply cannot accept" the U.S. demand that Japanese automakers voluntarily boost their purchases of foreign parts, he said.

Ambassador Walter Mondale reiterated earlier in the day that the U.S. believes no agreement is possible without such "voluntary plans."

Although vowing to avoid "needlessly politicizing the issue," Sakamoto blasted the U.S. for "playing the role of prosecutor and judge" by taking a complaint to the WTO and simultaneously imposing sanctions.

The U.S. says it will accuse Japan of nullifying the effect of market-opening moves, such as its tariff reductions, through a system of overregulation and "keiretsu" interlocking business relationships which effectively lock out foreign competition.

Sakamoto repeated Japan's assertion that its market is open and nondiscriminatory and said he does not expect the WTO to rule against keiretsu ties as they are a matter of competition policy, not trade policy.

Sakamoto said he thinks the auto dispute "will not negatively influence the overall Japan-U.S. relationship," and an agreement remains possible if the U.S. drops its demand for voluntary import plans and if Japan implements the measures it proposed in the talks to improve market access.

But he acknowledged that Minister of International Trade and Industry Ryutaro Hashimoto withdrew an offer in last-ditch talks in early May to establish liaison offices at Japanese automakers to accept foreign complaints.

The rejection came, he said, after U.S. Trade Representative Mickey Kantor suddenly demanded that the

Japanese Government count the number of dealers willing to handle foreign cars over a period of one year.

Although repeating the contention that the paltry Japanese market share of Detroit's "Big Three" carmakers results from a lack of effort, Sakamoto gave guarded praise to each of them. Chrysler Corp. senior executives say they are too busy with the American market to try to push into Japan, he said, but he praised the company's Neon model, saying it "could be popular and well accepted in Japan."

Ford Motor Co. "has made great efforts to establish distribution channels for their cars" and achieved a "dramatic increase" in imports, he said, but added that Ford wants dealers to sell only its cars, while the U.S. government demands joint dealerships.

General Motors Corp. "has made quite a lot of effort," such as using sales agents to sell its cars and setting up a parts center, but none of the Big Three has matched its European rivals in trying hard to sell in Japan, Sakamoto said.

Murayama Comments on Dispute

*OWI705031995 Tokyo KYODO in English
0310 GMT 17 May 95*

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Prime Minister Tomiichi Murayama said Wednesday [17 May] the government will deal with the auto trade dispute between Japan and the United States on the basis of international rules.

Murayama made the comment to reporters at the Diet building in the wake of the announcement by U.S. Trade Representative Mickey Kantor on Tuesday of a preliminary list of sanctions against imported Japanese automobiles.

In the list, 13 Japanese luxury car models have been targeted for 100 percent punitive tariffs totaling 5.9 billion dollars.

Earlier in the day, International Trade and Industry Minister Ryutaro Hashimoto said Japan will take measures Wednesday to file a complaint over the dispute with the World Trade Organization (WTO), the world trade watchdog inaugurated in January to replace the General Agreement on Tariffs and Trade (GATT).

Chief Cabinet Secretary Kozo Igarashi told reporters separately that Japan will inform the U.S. Government of its intention to take the case to the WTO and will ask it to start the discussion on the matter.

Murayama Hopes for Settlement

OWI705131995 Tokyo NHK General Television Network in Japanese 1034 GMT 17 May 95

[Announcer-read report; from the "NHK News" program]

[FBIS Translated Text] Speaking to a group of reporters this evening, Prime Minister Tomiichi Murayama commented on the Japan-U.S. auto talks. He said: It would be desirable if negotiations are settled without lodging a complaint with the WTO. The talks have been stalemated because there are some areas on which both Japan and the United States cannot compromise. We should find a way to make a breakthrough in this impasse. In this way, he indicated his intention to seek a settlement through bilateral dialogues as much as possible even after the auto issue is brought before the WTO.

Igarashi on Sanctions

OWI705124295 Tokyo ASAHI SHIMBUN in Japanese 17 May 95 Morning Edition p 13

[FBIS Translated Text] In response to the U.S. announcement of a sanctions list of Japanese-built deluxe automobiles to be hit by punitive tariffs, Chief Cabinet Secretary Kozo Igarashi issued a statement on the evening of 16 May. The statement said: "We deeply regret that the United States has announced unilateral trade steps despite Japan's honest efforts to ease regulations on the use of replacement auto parts. The sanctions list constitutes a violation of the World Trade Organization (WTO) accord." In this way, he reiterated Japan's plans to take its case to the WTO.

Takemura on Relations With U.S.

*OWI705093795 Tokyo KYODO in English
0930 GMT 17 May 95*

[FBIS Transcribed Text] Tokyo, May 17 KYODO — The relationship between Japan and the United States will not be adversely affected by the bilateral auto trade conflict, Finance Minister Masayoshi Takemura said Wednesday [17 May].

Takemura said at a news conference, "I don't think it will have any bad impact on overall Japan-U.S. relations."

After deadlocking in auto trade talks early in May under bilateral trade "framework" negotiations, the U.S. announced its decision to file a complaint with the World Trade Organization (WTO) and take retaliatory trade sanctions worth 5.9 billion dollars in tariffs. Japan plans to file a countercomplaint with the global trade referee in Geneva.

Takemura said the U.S. has seemingly expressed its readiness to negotiate before implementing the sanctions.

Japan as well should seek a possibility of settling the auto trade dispute through negotiations, Takemura said.

Turning to economic conditions, Takemura said the government will stick to its prediction of 2.8 percent economic growth for fiscal 1995 which started April 1.

"Although it seems to be fairly tough, judging from developments so far, there is no need to change the government's 2.8 percent growth forecast at present," Takemura said.

Takemura said he expects both initial and supplementary budgets for fiscal 1995, together with other several policy measures, to make the fledgling economic recovery more certain.

"I hope the economy will be headed toward steady recovery, overcoming unexpected events such as the yen's appreciation and the great Hanshin earthquake," Takemura said.

Takemura denied an idea of using public funds to rescue housing loan companies saddled with huge bad loans.

"The present situation will not allow us to decide on the introduction of public funds to help the companies," he said.

The government has a five-year target to settle the issue of nonperforming loans of all financial institutions nationwide, Takemura said, and the target naturally covers the housing loan companies.

EPA Official on Sanctions List

OWI705121595 Tokyo ASAHI SHIMBUN
in Japanese 17 May 95 Morning Edition p 13

[FBIS Translated Text] On 16 May, the United States announced a sanctions list of Japanese-built deluxe automobiles to be hit by punitive tariffs. Commenting on the announcement of the list, a top official with the Economic Planning Agency [EPA] said today: "The announcement itself of unilateral, retaliatory trade steps by the United States runs counter to the principle of global free trade." He also added: "If the United States actually imposes sanctions against Japan, it will have a considerably adverse impact (on Japan's economy)." In this way, he expressed concern over the adverse impact of the U.S. sanctions on the Japanese economy, which is on the path to recovery.

The auto industry has a great, pervasive effect on the steel and other industries. It is believed that if the United States levies high punitive tariffs on Japanese-

built deluxe automobiles, this will adversely affect not only the auto industry, which will suffer drastic cuts in the export of cars to the United States, but other industries.

WTO Chief Cautions Against Retaliatory Steps

OWI705041095 Tokyo KYODO in English
0400 GMT 17 May 95

[FBIS Transcribed Text] Geneva, May 16 KYODO — The head of the World Trade Organization (WTO) Renate Ruggiero warned Tuesday [16 May] against the expected retaliatory action by Japan and the United States as ways to resolve the long-drawn-out auto trade dispute.

In the statement, Ruggiero said, "What is now at stake is not the functioning of the World Trade Organization but the credibility of the engagements freely entered into by these parties."

Ruggiero said that in settling the dispute the two nations should honor WTO rules rather than imposing punitive steps.

The statement said the U.S. has shown its intention to bring the case to a dispute settlement procedure under the WTO and that is a right granted to the country.

It also said the WTO understands that Japan will exercise a similar right.

The statement was issued after Washington released a preliminary list of Japanese products targeted for punitive tariffs under Section 301 of the 1974 trade law.

Japan's International Trade and Industry Minister Ryutaro Hashimoto has also indicated Tokyo is ready to take action of its own if the U.S. goes ahead with its sanction plans.

Diplomats Expect More Pressure on Auto Disputes

OWI705024195 Tokyo KYODO in English
0227 GMT 17 May 95

["News Focus" by Kohei Murayama]

[FBIS Transcribed Text] Washington, May 16 KYODO — U.S. policy-makers unveiled political threats Tuesday [16 May] as well as economic retaliatory sanctions aimed at prying open Japan's auto and auto parts market.

While his top trade negotiator Mickey Kantor issued an initial list of sanctions worth a record 5.9 billion dollars with 100 percent punitive tariffs on 13 Japanese car models, President Bill Clinton said that the 20-month auto dispute must be resolved to restore healthy ties like those in security and other areas.

The Japanese Government brushed off such U.S. threats, deciding to move on with its plan to file a complaint with the newly established World Trade Organization (WTO) about the unilateral U.S. actions — a process that requires lengthy procedures that will take it beyond the deadline for Washington imposing sanctions.

Clinton told reporters that the sanctions "won't actually go into effect if we can avert the disagreement with the Japanese."

But Clinton said he "can't any more deny this or sweep it under the rug," although he agreed with the Japanese Government that "has acknowledged that we have important security interests and other interests in common and we cannot let our entire relationship be wrecked by this."

A stronger political message was aired on the eve of releasing the initial sanctions list when White House spokesman Mike McCurry said that if the auto dispute is not resolved, "That, over time...might have some effect on other aspects of the relationship."

On Tuesday, McCurry revoked his remarks, saying, "We would hope that, as the president suggested today, that these issues can be resolved amicably through negotiation."

But, Japanese diplomatic sources in Washington said the Clinton administration appears more inclined to take the past approach of intensifying pressure on Japan. They said Kantor is increasingly having his views heard among policy-makers despite caution, chiefly in the State Department, against imposing tough actions at the cost of ruining overall ties with Japan.

The sources said the United States is making a "misperception" if it is going by the past examples in which Japan succumbed to threats at the last moment.

Announcing the list at a press conference, Kantor said the president is acting "in a strong and decisive manner" to resolve the auto trade dispute with Japan.

Asked whether the dispute could be resolved through further negotiations, he said, "I have no idea — ask the Japanese."

The list specifies 13 luxury cars — two Acura models of Honda Motor Co., five Lexus models of Toyota Motor Corp., three Infiniti models of Nissan Motor Co., the 929 and Millenia of Mazda Motor Corp., and the Diamante four-door sedan of Mitsubishi Motors Corp.

U.S. auto dealers who will be hard hit by the sanctions reacted immediately.

Walter Huizenga, president of the American International Automobile Dealers Association, said, "Tens of

thousands of American jobs hang by a thread as the president attempts to punish American small businesses and their employees for the failure of his administration and Japan to negotiate a workable solution."

With the 5.9 billion dollar sanctions, "These American workers and their jobs won't make it 60 days," he said.

Frank McCarthy, executive vice president of the National Automobile Dealers Association, said, "Punitive tariffs would be devastating, resulting in immediate employee layoffs and widespread dealership closings."

But, Kantor said, "Because the list contains a narrow range of products, we do not expect at this juncture that the final list would be altered significantly."

He said his team considered various factors to make the list most effective against Japan, but least harmful to American interests.

Under the trade law, a preliminary sanctions list must be submitted for the federal register to seek public comments for a period of at least 30 days before a final list is compiled.

After taking public comments, Kantor said a final determination will be made June 28.

To prevent last-minute imports into the U.S. to boost stockpiles ahead of the possible sanctions, Kantor said he has asked the customs service to "withhold liquidation" of entry of vehicles on the list as of 12:01 A.M. Saturday.

"If the increased tariffs go into effect, we intend for them to go into effect as of May 20," he said.

The initial step toward sanctions is one part of the double-barreled strategy announced by Kantor at a White House briefing May 10, along with a complaint to be filed against Japan with the WTO "in approximately 45 days."

The time frame for the two-pronged strategy heightens pressure on Japan ahead of an expected meeting of Clinton and Japanese Prime Minister Tomiichi Murayama during the Group of Seven (G-7) summit in Halifax, Canada, in mid-June.

Japanese Ambassador to Washington Takakazu Kuriyama said, however, that Tokyo is unlikely to accept proposals for talks outside the WTO unless Washington makes new offers.

The U.S.-Japan tension increased after the breakdown in Canada on May 5 of auto trade negotiations between Kantor and Japan's International Trade and Industry Minister Ryutaro Hashimoto.

In a press conference soon after the ruptured talks, Hashimoto said the two parties could have reached an accord if the U.S. dropped its demand for the Japanese Government to solicit automakers to renew their "voluntary" purchasing plans for foreign parts.

While acknowledging the importance of the voluntary plans, Kantor said that gaps remained in all three key areas — wider access to dealerships, deregulation of after-sales-service markets, and purchases of foreign auto parts.

The auto and auto parts negotiations are the only unresolved priority sector under an agreement reached in July 1993 between Clinton and then Prime Minister Kiichi Miyazawa to negotiate a new bilateral trade framework.

The so-called "framework" negotiations were to be completed and reviewed within two years, a deadline that coincides with the Halifax summit.

Toyoda, Murayama on Auto Dispute, Economy
*OWI70511195 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 15 May 95 Morning Edition p 2*

[FBIS Translated Text] Shoichiro Toyoda, president of the Federation of Economic Organizations of Japan [Keidanren], called on Prime Minister Murayama at his official residence in Tokyo on the morning of 15 May to exchange views on the Japan-U.S. auto dispute and ways to stimulate the economy. During the meeting, President Toyoda emphatically said: "I hope the government will open the Japanese market by relaxing regulations, and expand domestic demand by enacting the supplementary budget for fiscal 1995." In addition, he also strongly stressed the need to decentralize the functions of Tokyo.

In response, Prime Minister Murayama said: "The Diet adopted a resolution calling on the relocation of its building (in 1990) and I want to promote planned relocation of the Diet building." In this way, he expressed his eagerness to relocate the Diet building.

Business Circles React to U.S. Sanctions

*OWI605152495 Tokyo KYODO in English
1513 GMT 16 May 95*

[FBIS Transcribed Text] Tokyo, May 16 KYODO — Japanese business leaders on Tuesday [16 May] reacted with anger and self-criticism to the U.S. announcement of a preliminary list of sanctions aimed at prying open Japan's auto and auto parts markets.

Shoichiro Toyoda, chairman of the Japan Federation of Economic Organizations (Keidanren), said the sanctions "could undermine smooth Japan-U.S. relations."

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), said the sanctions list came because "Japan has not lived up to what it is supposed to do."

Jiro Ushio, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), concurred with Nagano, saying, "It is indispensable for Japan to expedite the scrapping and softening of regulations."

He also said the sanctions threaten to "undermine the environment in which private business companies could act freely."

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, said, "I want the Japanese Government to press ahead with deregulation and market-opening measures that could help whittle down Japan's current account surplus."

A statement by Yoshihiro Wada, president of Mazda Motor Corp., warned that retaliatory measures would have "a lot of negative effect on the dealerships and consumers in the U.S. as well as on auto manufacturers."

A Toyota Motor Corp. executive questioned the seriousness of a U.S. threat to slap sanctions on makers of 13 luxury car models even at the risk of triggering layoffs of U.S. workers hired by Japan's U.S. dealerships.

"It remains unclear whether the United States will really proceed with the sanctions," said the executive, who spoke on condition on anonymity.

However, an executive of the Japan Automobile Manufacturers Association (JAMA) said sanctions would deal a "devastating" blow to efforts by Japanese automakers to cash in on "the U.S. luxury car market, where they have enjoyed a high profit margin."

The JAMA warned in a May 11 advertisement in the WASHINGTON POST that "jobs would be lost all across America in auto plants, dealerships and supplier companies" if Washington proceeds with the planned sanctions.

An official at another Japanese automaker expressed anxiety concerning reported U.S. readiness to place punitive tariffs of up to 100 percent on Japanese luxury cars.

"If such high rates of tariffs are imposed, it would deal an additional hammering to our company that is going through a slowdown of sales" in the U.S. market, he said, apparently referring to a recent downturn in U.S. consumer demand for autos and Japan's declining export competitiveness amid the strong yen.

JAMA: 'Truly Regrettable'

OWI705111995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 May 95 Morning Edition p 5

[FBIS Translated Text] The Japan Automobile Manufacturers Association [JAMA] issued a statement on the evening of 16 May saying: "The tentative list of sanctions to be imposed as unilateral trade measures is clearly in violation of international rules. It is truly regrettable."

Exports of Japanese-made luxury cars (13 models) included in the sanctions list totalled around 200,000 units in FY94. If sanctions are actually implemented and a 100-percent tariff is imposed on these models, exports are certain to drop dramatically. This is expected to affect operations at the domestic plants of the Japanese automakers.

The United States is the biggest market for Japanese luxury cars. The overall domestic production of the models included in the list is around 430,000 units, and nearly half of this, 200,000 units, are exported to the United States. Exports to the United States make up more than 80 percent of the domestic production volume of models such as Nissan's "Infinity Q-45" and Honda's "Legend."

While Japanese car manufacturers have promoted local production in the United States, this mainly consists of small and medium-sized cars. Most luxury cars are exported directly from Japan.

In the case of Toyota, which will suffer most from the sanctions, its exports to the United States of five models, including "Lexus LS-400" (sold in Japan under the brand name "Celsior"), reached about 87,000 units in FY94, representing 14.5 percent of overall Toyota exports to the United States. A 100-percent tariff duty will result in a drastic decline in its exports to the United States, and it will not be able to sustain the domestic production lines for these models. There is a possibility that Toyota may be forced to make production and employment adjustments, including the temporary layoff of some personnel.

Mitsubishi Motors will switch its production of the "Diamante" model to Australia toward the end of 1995. Therefore, it will not have to suffer possible high tariff duties next year. However, it claims that "it still has a stock of cars to be exported to the United States, and the damage will be considerable."

Nevertheless, the major car manufacturers reaffirm that, "We are absolutely not thinking of appending our voluntary plans for parts procurement under unjust pressure from the United States" (according to Yoshifumi Tsuji, president of Nissan Motor Company, Ltd).

JAMA: Sanctions Imperil Jobs

OWI705040695 Tokyo KYODO in English 0353 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Sanctions announced by the United States against Japan would wipe out U.S. sales of Japanese luxury cars, hurting jobs in American sales and Japanese production, Japan's car industry leader said Wednesday [17 May].

"Sales of luxury cars in America will go to zero and dealerships won't be able to keep going," said Yoshifumi Tsuji, acting chairman of the Japan Automobile Manufacturers' Association (JAMA).

Tsuji, president of Nissan Motor Co., said Nissan's domestic sales will be cut by 50,000 cars a year and "employment problems will arise."

On U.S. demands that Japanese automakers increase their purchases of foreign parts, he said, "There is no room for compromise, we cannot make new increases," even if it is made clear that the plans are goals and not promises.

"I don't think any of the Japanese makers think differently," Tsuji said.

The U.S. says the two governments cannot reach agreement in the dispute over auto trade, which accounts for some 60 percent of the 66 billion dollar annual bilateral trade imbalance, unless automakers expand their earlier "voluntary" purchase plans.

Top officials at the Ministry of International Trade and Industry (MITI) say they rejected a last-minute offer by the U.S. to specify that such planned purchases were not "commitments," and that MITI rejected, as managed trade, any mention of private-sector moves.

Expressing support for Japan's intention to file a complaint with the World Trade Organization (WTO), Tsuji urged caution over possible countersanctions by Japan, which MITI officials say they are contemplating, expressing concern that "retaliation breeds retaliation."

Automakers Criticize U.S. Action

OWI705142795 Tokyo ASAHI SHIMBUN in Japanese 17 May 95 Morning Edition p 11

[FBIS Translated Text] The U.S. Government has announced a sanction list of Japanese-built deluxe automobiles to be hit by punitive tariffs. In response, Japanese automakers reacted against the announcement of the list on 16 May, and issued statements criticizing the U.S. Government's stance on the auto trade dispute between Tokyo and Washington.

A statement issued by Nissan Motor Company President Yoshifumi Tsuji said: "The United States has made clear that it will take unilateral sanctions measures against Japan and this action is not permissible." A statement issued by Masaji Tanaka, vice president of Toyota Motor Corporation, pointed out: "There is a problem with the U.S. Government's negotiating method. If the United States imposes sanctions against Japan, this will bring disadvantages to American consumers." Mazda Motor Corporation Yoshihiro Wada issued a statement saying: "The action taken by the U.S. Government runs counter to the spirit of the World Trade Organization. The action will have a serious impact on the economic activities of both Japan and the United States."

Toyota, Nissan on Shouldering Tariff

OW1705052995 Tokyo KYODO in English
0514 GMT 17 May 95

[FBIS Transcribed Text] New York, May 16 KYODO — U.S. subsidiaries of Toyota Motor Corp. and Nissan Motor Co. said Tuesday [16 May] they will refrain from raising prices of luxury cars sold in the United States even if their products are slapped with punitive tariffs by Washington.

Officials at Toyota Motor Sales U.S.A. Inc. and Nissan Motor America Inc. said they are considering shouldering the possible tariff hikes on their own, rather than transferring the hikes to product prices.

The move apparently reflects judgment by the two Japanese automakers that a product price raise would probably be met with dealers' rejection of handling their products.

It would likely cost huge amounts of money to rebuild dealer networks from the beginning.

Earlier in the day, the U.S. released a preliminary list of Japanese luxury cars targeted for punitive tariffs of 100 percent under Section 301 of the 1974 trade law.

Officials at Nissan said the company would shoulder the tariff raises as a temporary step, which would be dropped if the auto dispute is settled.

In the event of the U.S. sanctions, Nissan would have to put up around 30,000 to 50,000 dollars per luxury car sold in the U.S., a burden expected to deal a heavy blow to the carmaker's earnings position.

NEC Head: Sanction 'Unpardonable'

OW1705094995 Tokyo KYODO in English
0939 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Tadao Sekimoto, outspoken chairman of NEC Corp.,

said in an interview with KYODO NEWS SERVICE Wednesday [17 May] the U.S. sanctions against Japan over the automobile trade dispute are "unpardonable."

He said Washington's action, announced Tuesday, infringes on the free trade principle and Japan should bring the issue to the World Trade Organization for a settlement through bilateral negotiations.

"It (U.S. action) is an act which runs counter to the spirit of free trade and therefore is unpardonable," he said, adding "Japan should file a petition with the World Trade Organization for negotiations."

Sekimoto said the U.S. action is limited to Japanese luxury cars imported to the United States, but added "I am concerned about its impact on other industries since the automobile industry is the leading industry of export-dependent Japan."

Washington released a preliminary list of punitive tariffs on Japanese luxury car imports totaling a record 5.9 billion dollars.

Sekimoto said he will keep a close watch on developments at the WTO since the Japan-U.S. dispute will be the first major problem to be tackled by the newly inaugurated world trade watchdog.

Referring to a U.S. demand for a numerical target for Japanese imports of U.S. automobiles and auto parts, Sekimoto said he opposes the idea "under the present circumstances of Japan-U.S. relations."

Japan's semiconductor industry, bowing to Washington's pressure, accepted a numerical target for imports, setting a market share of 20 percent for foreign imports.

Sekimoto called on U.S. industries to step up efforts to boost sales in Japan, saying the United States has little to sell to Japan.

He urged both sides to be cool-headed and "face squarely the reality" that the strong yen will not help reduce the U.S. trade deficit with Japan.

Economic deregulation in Japan will not necessarily result in an increase of imports from the United States, he said.

JISF Chairman: Seriously Concerned

OW1705090495 Tokyo KYODO in English
0827 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — The top steel industry leader, irritated by the absence of government measures to overcome pending economic issues, called Wednesday [17 May] for the dissolution of the Diet and a general election.

Hiroshi Saito, chairman of the Japan Iron and Steel Federation [JISF], told a news conference the government of Prime Minister Tomiichi Murayama lacks clear-cut policy vision.

He said it is his personal view that the Diet should be dissolved to call a general election to pave the way for the transfer of power to a party with a firm policy line.

Saito, who is chairman of the world's leading steelmaker Nippon Steel Corp., said the present administration is based on a compromise among the three ruling coalition parties.

He said he was displeased with the government's inability to come up with effective economic measures to slash Japan's trade surplus and check the yen's appreciation.

Saito expressed serious concern about the impact of U.S. economic sanctions against Japan on the domestic steel industry.

The U.S. action will bear a serious impact on the Japanese steel industry, saying about 500 kilograms of high-quality steel sheets is used in each luxury car made by Japanese automakers.

The U.S. Government unveiled Tuesday a preliminary list of punitive tariffs to be imposed on Japanese luxury car imports in a move to pry open Japan's automobile and auto parts markets.

A final list is expected to be released after the Halifax summit of seven industrialized democracies next month.

Saito said the government's inability to lay down the target for a trade surplus reduction is the factor responsible for the Japan-U.S. trade friction over automobile trade.

MITI Official on Solving Auto Issue at WTO

*OWI705062695 Tokyo NIHON KEIZAI SHIMBUN
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[From the "Economic Lecture" column by Toshiya Tsugami, director of the Ministry of International Trade and Industry Fair Trade Promotion Office: "Solution of Auto Issue Sought In WTO"]

[FBIS Translated Text] 1) Increasing the purchase of auto parts under a voluntary plan requested by the United States will lead to an infringement of third countries' rights within the Japanese market and to the acceptance of local content requests by the United States. This runs counter to the rules of the World Trade Organization (WTO). Moreover, the WTO specifically bans taking unilateral sanctions; therefore, it is clear that the U.S. sanctions under Section 301 (retaliatory

measures against unfair trade partners) will violate WTO rules.

2) WTO procedures for the solution of disputes call for peaceful means, referring the solution of disputes to impartial third parties. In addition, in the WTO, many third countries support Japan's position on the automobile issue.

3) If the U.S. Government should assume the stand of unilateral sanctions, Japan should seek solution of the dispute within WTO procedures.

Intervention in Auto Parts Purchase Issue Impossible

Japan-U.S. negotiations on automobiles and auto parts were held between Minister Hashimoto of the Ministry of International Trade and Industry [MITI] and United States Trade Representative Kantor last week in Canada. They failed to reach an accord on a voluntary auto parts purchase plan, however. Since then, it has been reported that Washington will announce a hit list for unilateral sanctions against Japan in accordance with Section 301 of the Omnibus Trade Act. Reacting to this, the Japanese Government has disclosed a plan to discuss the issue within the framework of multilateral negotiations under the WTO, shifting from Japan-U.S. economic framework talks.

In the Japan-U.S. negotiations on automobiles and auto parts, the U.S. delegates made three proposals. In one, the U.S. side said deregulation is indispensable to the auto market because the Japanese Government's regulations on repair parts have become an obstacle to the import and sale of foreign-made auto parts in Japan by Japanese automobile and auto part manufacturers (issue regarding safety regulations). In the second, the U.S. delegates said that Japan's automobile dealers should deal in foreign-made cars more actively (issue regarding dealership).

The Japanese Government announced a plan to come to grips with these two points without infringing on international rules and damaging safety. In response, it has been reported that the U.S. Government, at heart, is satisfied with Tokyo's plan. In making the third proposal, the U.S. delegates urged their counterparts to increase purchase targets for the Japanese auto makers' voluntary plan. In 1992, the Japanese Government announced a plan for purchases by Japanese auto makers and their affiliated U.S. companies of U.S.-made auto parts (up to the fiscal year 1994). In the United States, however, this plan, which was announced voluntarily, was taken as a "promise," and a bill designed to impose unilateral sanctions if Japan failed to achieve the target set in the plan passed through the U.S. lower house.

In this way, the announcement of a voluntary plan by Japanese auto makers resulted in a bitter experience for Japan.

In a situation in which the yen's exchange rate is rapidly increasing, auto makers are beginning to carry out tough restructuring. In particular, they must make drastic changes to their auto parts purchase plan. In fact, their purchases over the next few years are likely to go down drastically, despite U.S. hopes. A main reason for the auto makers' rejection of the U.S. request to increase the purchase targets is this bitter experience and the tough business situation.

In March 1994, many auto makers voluntarily extended the voluntary plan worked out in 1992. However, the U.S. Government called on them to revise the plan to increase the purchase targets, saying a ratio of the purchase increase is not enough. That is how the issue regarding Japan's voluntary auto parts purchases was created.

The Japanese Government has persistently refused to take up the issue in negotiations at the government level. The Tokyo side stressed two points. First, intervening in private companies' economic activities without legal grounds goes beyond its authority. Second, controlling their economic activities by forcing them to virtually establish numerical targets runs counter to the principle of the market economy. There is a possibility that if such a method is adopted in one area of trade, it would spread to other industries and countries and lead to managed trade. These points are the Japanese Government's earnest position based on its efforts over the past few years, including minimizing government intervention and promoting deregulation.

U.S. Demands Are Against the Rules

The U.S. Government is demanding that the Japanese Government announce a plan to increase 1) imports of "foreign-made" parts and 2) the purchase of "U.S.-made" parts by Japanese auto makers' subsidiaries in the United States. Now, let me examine the U.S. demands in light of the WTO rules. I have to refer to the principles of market economy and nondiscriminatory policy, which are the highlight of the basic principles of the WTO.

First, judging from the demands made by the U.S. Government and Congress thus far, I can say there is a strong possibility that the U.S.-demanded voluntary plan will virtually be numerical targets set up under a unilateral intimidatory measure by the United States. Such demands run counter to the principles of a market economy.

Moreover, as for the plan to increase imports of "foreign-made parts" mentioned above, the U.S. side

says "foreign-made" parts include those produced in the European Union (EU), Canada, Australia, and the Asian nations. However, there is strong concern over the possibility that only "auto parts made by the United States," which is threatening Japan with unilateral sanctions, will be imported preferentially by Japan; therefore, parts made by third countries will be discriminated against. In this way, a question arises of whether the principles of the other countries' most-favored nation status would be ignored.

With regard to the issue of the purchase of auto parts by Japanese auto makers' subsidiaries in the United States, Washington's position is more problematic because they are calling on Japan to expand the purchase of "U.S.-made" parts, not "foreign-made" parts. That call gives preferential treatment to U.S.-made parts and discriminates against auto parts made by Japan and third countries. In this respect, that position will lead the United States to act against the principles of the WTO (failure to fulfill its obligations to give equal national treatment).

In particular, the U.S. attitude of urging Japan to give preferential treatment to U.S.-made parts by threatening Japan with unfair measures such as unilateral sanctions against Japan's failure to achieve the plan is called a local-content demand, which is specifically banned by a WTO treaty on regulations on trade investment. Although the U.S. Government says the purpose of the negotiations on the automobile and auto parts sector is to make the Japanese auto market more open, I have no choice but to say that what the U.S. negotiators are calling for, in fact, leads to establishing managed trade and limits the free flow of trade and investment.

What is more, the fact that high-ranking U.S. Government officials, through the mass media, have often hinted at taking sanction measures based on Section 301 of Trade Act should also be questioned. The WTO is negative about member nations' solution of their own trade disputes and it is designed to seek a rational settlement of trade disputes based on international rules. In this sense, the WTO prohibits member nations involved in trade disputes from unilaterally coming to a conclusion on violation of the WTO treaty by their trading partners, and imposes obligations upon member nations to utilize WTO procedures to solve trade disputes (Article 23 of the treaty on the settlement of disputes).

The U.S. stand of intimidating Japan with unilateral sanctions clearly runs counter to the treaty.

Negotiations and Penal Arbitration Do Not Constitute Confrontation

The WTO's dispute settlement procedures are a process for fairly and peacefully settling trade disputes. In direct negotiations between nations separated by trade disputes, negotiators tend to have a narrow view of things and to get emotional. In this sense, it can be said that the WTO steps are a process that refers the settlement of disputes to impartial third parties while explaining how the dispute came about to other member nations.

If the United States does announce a list of unilateral sanctions, the Japanese Government plans to bring the case before the WTO. It is safe to say that taking action before the WTO puts the dispute on a fair footing, like a court trial, without unnecessarily making the dispute a political issue.

Under the WTO's procedures, the issue is to be discussed in the form of negotiations and panel talks. Although the negotiations will be held between the two nations concerned, this is different from normal bilateral negotiations. Progress in the negotiations will be reported to the WTO Secretariat, and the issue will be brought to a periodic meeting of the dispute solution committee. If circumstances require, third countries will be allowed to take part in the negotiations. In this way, negotiations under the WTO are more open.

In the event that negotiations fail to settle the issue, the case can be brought before a panel. This is a procedure wherein the complainant nation seeks the verdict of a legally constituted neutral panel of jurists (panelists) on the accused nation's violation of the WTO agreement. The panel's verdict takes the form of a recommendation to the dispute settlement committee, and if the accused nation refuses to abide by this verdict, the complainant is allowed to take retaliatory measures.

The WTO, based on past experience with the former GATT's dispute settlement procedures failing to function due to opposition from the involved nations, has taken radical steps to strengthen its dispute settlement procedures. It sets a deadline for various stages of the procedures, such as negotiations and panel arbitration. WTO rules also provide that speedy settlement is to be implemented in cases where urgency is recognized. Furthermore, while the accused nation could oppose adoption of the arbitration panel's recommendation in the past, it will not be able to do so at the WTO.

If, unfortunately, the U.S. Government actually announces a list of unilateral measures on the auto issue, I think the Japanese Government will first file a complaint. Furthermore, in order to reach a settlement

quickly, Japan should also file an application to treat the issue as an urgent case.

Last, let me tell a story. The WTO holds meetings to examine the trade policies of member states regularly. In early April of last year, Japan was examined after an interval of two years. At that meeting, the U.S. Government fiercely criticized the closed nature of the Japanese market, having the auto talks in mind. However, the major nations and areas, including the EU, Canada, Australia, and Hong Kong, unanimously criticized the U.S. negotiating position at the automobile and auto parts talks.

First, the United States' unilateral measures were criticized unanimously. Second, criticism was also voiced about the fact that if Japan accepted U.S. demands on the procurement of auto parts, U.S. products would be given preferential treatment, and their rights (under the most-favored-nation principle) would be undermined. This story vividly illustrates the majority opinion in the international community, an idea Japan, which has traditionally resolved issues only on a bilateral basis, tends to forget. At the same time, this warns of the danger that countries that are insensitive to rules, even if they themselves tend not to be aware of it, end up undermining the rights (most-favored-nation treatment) of third countries.

To be fair, at the trade policy examination meeting last year, many member states voiced their dissatisfaction with the closed nature of the Japanese market. Actually, most countries were criticized at the meeting, and the United States and EU were taken to task for not exerting sufficient efforts to reduce their balance-of-payments deficits. However, without waiting to be criticized, Japan needs to exert extra efforts to reduce its current account surplus through macroeconomic policies, and to take the lead in improving accessibility to imports.

The WTO is a mechanism for protecting the rights of member states through the nondiscriminatory principle and other impartial rules. Moreover, Renate Ruggiero, the new WTO secretary general, said during his recent visit to Japan: "When trade issues cannot be settled bilaterally, it is quite natural to resort to the WTO's dispute settlement procedures." Whether the new WTO can be the defender of the free trade system actually depends on whether member states respect WTO rules and actively resort to the WTO for dispute settlement.

'News Analysis' Views Impact of U.S. Sanctions

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1017 GMT 17 May 95*

[News Analysis: "Sanctions May Cause Makers to Lose U.S.-Based Dealers"]

[FBIS Transcribed Text] Tokyo, May 17 KYODO — The U.S.-proposed punitive duties on Japanese luxury car models would cause Japanese carmakers to lose many of their U.S.-based dealerships through which the makers have reached U.S. consumers, an executive of the Japan Automobile Manufacturers Association (JAMA) said Wednesday [17 May].

If the U.S. Government presses ahead with proposed tariffs of 100 percent on the 13 selected car models, it "could devastate the makers' networks of U.S.-based dealers with which they have painstakingly built up business connections," the executive said.

Officials of the Japanese auto industry concurred, saying a possible plunge in sales of sharply higher-priced luxury models could lead some American dealers to give up any hope of selling the Japanese models and, instead, shift their marketing efforts to European models.

Japanese carmakers have marketed their autos in the U.S. through a total of 1,400 U.S.-based dealerships affiliated with the "Big Three" U.S. automakers — General Motors Corp., Ford Motor Co. and Chrysler Corp.

The Japanese officials' warnings came a day after U.S. President Bill Clinton ordered a 5.9 billion dollar list of sanctions seeking to slash sales in the U.S. market of 13 car models of the five major Japanese carmakers.

The models include the Lexus from Toyota Motor Corp., the Infiniti from Nissan Motor Co., the Acura from Honda Motor Co., the Millenia and 929 from Mazda Motor Corp. and Diamante from Mitsubishi Motors Corp.

The five sold a total of 200,000 of the luxury car models to U.S. consumers in 1994 alone.

Toyota sold a total of 87,000 Lexuses during the calendar year. Lexus-related earnings accounted for some 14 percent of the top Japanese carmaker's total export earnings accrued from the U.S. market.

Hiroshi Okuda, a Toyota vice president, said the 100 percent ad valorem duty on the Lexus "would exert a strong impact on our company, as these models have provided high profit margins."

The 100 percent duty theoretically would double the import prices of the Lexus unless the maker held down

the resulting price markup below the margin of the duty by squeezing each model's profit margin.

Noriyuki Matsushima, a chief analyst of Nikko Research Center, told KYODO NEWS SERVICE, "the sanctions would take away more than half of the profits Toyota annually earns through exports to the U.S. market."

"Apparently, the United States is trying to force Japan to provide concessions (in market-opening talks) by threatening to inflict damage on Toyota, as it is the auto industry leader," he said.

Nissan officials cautioned that the sanctions risk striking Japanese jobs by forcing a drop in the factory utilization ratio.

Nissan President Yoshifumi Tsuji said, "the sanctions would aggravate the employment situation by forcing our company to pare down (luxury model) production by some 50,000 units."

Japan Research Institute said the sanctions would lead related industries that benefit from auto industry exports, such as steel, chemical and machinery makers, to lose a total of 388 billion yen in revenues, even if Washington agreed to cut the scale of sanctions to one-fourth that of the current proposal.

The Sumitomo Bank-affiliated institute said (?implementation of) sanctions at even one-fourth the scale would result in the layoff of 15,000 workers in the industries, including some 8,500 in the auto industry.

Article Views 'Dangerous Trade Game' With U.S.

*OWI705121095 Tokyo MAINICHI SHIMBUN
in Japanese 12 May 95 Morning Edition p 9*

[Article by economic reporters Toshiro Hara and Toshimitsu Kobayashi: "Dangerous Trade Game;" first in two-part series entitled: "Japan Said No During Japan-U.S. Auto Negotiations, But ..."]

[FBIS Translated Text] Japan said "no" to U.S. demands during the Japan-U.S. negotiations on automobiles and auto parts held in Whistler, Canada under the Japan-U.S. economic framework talks. On 10 May, the United States reacted to the no by announcing that it would soon publish a list of Japanese products to be hit by U.S. punitive tariffs. The Japanese Government has also decided to take its case to the World Trade Organization (WTO) against the U.S. sanctions action immediately after the United States releases the list. As a result, tensions are mounting in Japan-U.S. economic relations. MAINICHI SHIMBUN has examined the structure of the auto confrontation between the two countries and looked for ways to break the deadlock in the Japan-U.S. auto negotiations.

U.S. Trade Representative Kantor has also announced that the United States will file a complaint with the WTO over Japan's refusal to open its auto market. A senior official with the U.S. Trade Representative's Office said: "Filing our complaint with the WTO over Japan's refusal to open its auto market is an effective means to appeal to the international community for the need to pry open the Japanese market, but I do not know what will happen before we file our compliant with the WTO." The senior U.S. official also implicitly said: "Taking our case to the WTO is aimed at keeping up pressure on Japan and I believe that in the end, Tokyo will bow to pressure from Washington."

A senior Ministry of International Trade and Industry [MITI] official said: "The Clinton administration has pursued a result-oriented policy, and it can do whatever is necessary to bring about trade results." While demanding changes in Japan, including the relaxation of regulations, the Clinton administration has repeatedly made its conventional demands during the auto negotiations, saying: "Japan moves only if it is pressured." During the auto negotiations, U.S. negotiators noted: "The Japanese Government accepted a demand by the Bush administration that Japanese automakers draw up their respective voluntary plans for the purchase of U.S.-made auto parts," and then asked: "Why is the present Japanese Government rejecting the demand from the Clinton administration for increasing the purchase of U.S.-made auto parts by Japanese automakers?"

Working-level negotiations were held in Whistler for four days. During the negotiations, Shapiro, legal adviser to the U.S. Trade Representative's Office, told Osamu Watanabe, chief of MITI's Machinery and Information Industries Bureau, "We want to issue a joint statement. We hope that through the joint statement, ministers from the two countries will welcome an increase in the purchase of foreign-made auto parts by Japanese automakers." Watanabe retorted his proposal by asking: "Do you mean that the United States does not care even if some Japanese automakers refuse to increase their purchase of foreign-made auto parts?" U.S. Commerce Undersecretary Garten said: "No, what we hope is that all Japanese automakers will increase their purchase of foreign-made auto parts." Watanabe refused to accept their offers, saying: "Then, my answer is no."

It was at this moment when the United States showed a change in its negotiating stance and a resolve to break off the auto negotiations. During the auto negotiations, both sides found areas of agreement on increasing the number of Japanese car dealers selling foreign-built cars, but U.S. negotiators thrust a new thorny issue upon their Japanese counterparts, saying: "We hope that Japan will set specific targets." The ministerial talks held

on 5 May were no more than a gathering where U.S. negotiators looked for an excuse to slap sanctions on Japan.

With the WTO in place, trade disputes are moving from bilateral negotiations to multilateral negotiations. Many nations have intended to make empty shells of the U.S. sanctions provisions, which have provided the basis for the United States to take a hard-line stance in trade negotiations with other nations. The Clinton administration has taken a hard-line stance in auto negotiations with Japan because of the domestic political situation that requires the Clinton administration to give the impression at home and abroad that "the United States is strong" as the presidential election draws near.

In response, Japanese negotiators have continued to reject the U.S. demand for the government's intervention in the purchase of foreign-made auto parts by Japanese automakers. A former MITI deputy minister said: "What the United States has demanded is that Japan must buy as many U.S. products as Europe does. If Japan goes along with the U.S. auto demands, this precedence would spread endlessly to other sectors."

A senior MITI official pointed out: "Now is the last opportunity to establish international trade rules." During past Japan-U.S. semiconductor negotiations, Japanese negotiators expressed the hope that the share of foreign-made semiconductors on the Japanese chip market would increase to 20 percent. The United States, which had interpreted the term hope as being a commitment by the Japanese Government, slapped sanctions on Japan when foreign-made semiconductors failed to reach a 20 percent share, saying it was a breach of the commitment.

At that time, Japan examined the possibility of taking its case to GATT, but the government and ruling party, which feared the impact a Japan-U.S. trade dispute in GATT would have on the agricultural issue, made a political decision not to take Japan's case to GATT. The same senior MITI official said: "The past Japan-U.S. trade negotiations are a history of Japan making concessions to the United States under the term political decision." But he stressed that this is the best opportunity for Japan to take its case to the WTO against the U.S. trade demands, saying: "If our nation fails to argue its case against the U.S. trade demands at the WTO at this time, it will lose future opportunities to bring its case to the international trade organization."

The Clinton administration's calculation and MITI's tenacity are clashing in the "trade game." It is feared that the Clinton administration's policy toward Japan might be used as a political instrument by the United States, and the U.S. imposition of sanctions against Japan could

hurt the feelings of Japanese toward the United States. A dangerous game is heating up with the risk of Japan and the United States deepening their distrust toward each other.

Breakdown in Auto Talks With U.S. Viewed

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in Japanese 14 May 95 Morning Edition p 3*

[Article by Masado Sano: "Clash of Logic in Auto Negotiations"]

[FBIS Translated Text] "Right now, I will make you realize how high the price of logic is."

This monologue by the Roman Emperor in "Caligula," a drama by Albert Camus, probably represents the feelings of the senior Clinton administration officials who are now working on sanctions against Japan.

The logic in the Roman Emperor's monologue is the American logic. The U.S. trade deficit with Japan accounts for 50 percent of the total U.S. trade deficit, and the U.S. deficit in automobile and auto parts trade with Japan makes up 60 percent of the total U.S. trade deficit with Japan. Therefore, Japan must increase its imports of auto parts from the United States and present numerical plans for increasing its imports of auto parts from the United States. This is what U.S. Trade Representative Mickey Kantor has insisted on during auto negotiations with the Japanese Government. What Kantor's statement means is that if Japan goes against that logic, you (Japan) will pay a high price.

For the first time, the Japanese Government has refused to make concessions to Washington, calling the "American logic self-righteous and unacceptable." The Japanese Government refused to go along with Washington on that logic. Japanese automakers ought to decide on the purchase of American-made auto parts on their own. It is far from logical for the Japanese Government to promise or guarantee the purchase of American-made auto parts by Japanese automakers. The Japanese Government is poised to look for a logical way to settle auto trade disputes with Washington at the World Trade Organization (WTO) by filing a complaint with the world trade body if Washington imposes sanctions against Tokyo. In other words, both Tokyo and Washington are moving toward a head-on collision.

Tokyo has continued to make concessions to Washington during trade negotiations since the Japan-U.S. textile negotiations, which were held 25 years ago. Tokyo has faithfully fulfilled the commitments it has made during the trade negotiations with Washington. The Japanese Government emphatically said: "We made no commitment" under the Japan-U.S. semiconductor agreement,

but the Ministry of International Trade and Industry (MITI) urged Japanese chip makers and users to help foreign firms achieve a 20-percent share in the Japanese chip market. Tokyo's concessions to Washington are not confined to the trade field. In 1991, Tokyo provided \$13 billion in contributions to allied forces fighting Iraq during the Gulf war, a cost equivalent to the amount required to construct the Kansai International Airport. Yet, Washington rebuked Tokyo, saying: "The Japanese are too slow and the amount is too small." At that time, the Japanese Government was asked by Washington to pay 70 billion yen more. Then Finance Minister Hashimoto, who acceded to the U.S. demand for the payment, probably made up his mind to never compromise too easily with U.S. officials. Whether the current clash between Tokyo and Washington will heat up or escalate is another question. While Washington is looking at a list of Japanese products to be hit by U.S. punitive tariffs, Tokyo has already begun to seek an understanding from other nations on its plans to take its case to the WTO. Washington is also preparing to file a complaint with the WTO about the closure of the Japanese market. In this way, Tokyo and Washington are busily moving to take their cases to the world trade body. Yet, there are areas of compromise.

The first area is in the Japan-U.S. automobile and auto parts negotiations. During the auto negotiations, Tokyo and Washington did not budge on the question of "clearly indicating" an increase in the plans for the purchase of American-made auto parts by Japanese automakers. If they agreed that "they will work for the increase" instead of "clearly indicating the increase," they would have been able to strike a deal during the auto negotiations, said MITI Minister Hashimoto. Tokyo also stuck to its position. There are indications that when some Japanese automakers voiced a willingness to clearly indicate an increase in their voluntary plans for the purchase of American-made auto parts, MITI moved to tighten control over them. If the situation develops in favor of Tokyo after it files a complaint with the WTO, MITI will ease its control.

The WTO's immaturity as an international body mandated with the task of dealing with trade disputes could cause both Tokyo and Washington to seek areas of compromise. The WTO cannot compare with an international court. No one knows how much enforcement power a WTO ruling has. If the United States refuses to accept a WTO ruling against its sanctions on Japan, nothing can be done. Even if the WTO rules against the closed aspects of the Japanese market, including keiretsu, no legal steps can be taken to break the keiretsu because of the absence of relevant domestic laws. In short, the WTO is a mediatory body.

Nonetheless, the WTO's mediatory function cannot be dismissed. The WTO accord has a provision providing for mediation by the WTO's secretary general. If WTO officials are reluctant to hand down rulings, they are expected to present both Tokyo and Washington with tough mediatory proposals.

The clash of logic often heats up. The wisdom, which we have learned from our ancestors, shows the importance of not missing areas of compromise and not imposing one's logic on others.

Mahathir Criticizes U.S. Trade Sanctions

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[FBIS Transcribed Text] Malaysia is against the application of sanctions by any country to settle bilateral trade disputes. Prime Minister Datuk Sri Dr. Mahathir said both parties should settle the dispute at the World Trade Organization, WTO, in Geneva. He said this to Malaysian journalists covering his seven-day working visit to Japan.

He was asked to comment on the decision by the United States to impose punitive tariffs of 100 percent on 13 Japanese luxury car models if Japan fails to open its market to U.S. autos and auto parts by 28 June. Datuk Sri Dr. Mahathir said Japan should also accept the need to import cars to reduce its balance of payments to a reasonable size.

A Japanese official said Tokyo would request urgent talks with the U.S. over the auto trade war at the WTO in Geneva today. U.S. President Bill Clinton said yesterday he hoped to resolve the dispute on the auto trade with Japan without a trade war.

This morning Dr. Mahathir met officials of the Mitsubishi Motor Corporation. He is scheduled to meet Prime Minister Tomiichi Murayama at the Parliament House in the afternoon.

The prime minister also said the Japanese business community is in favor of the East Asia Economic Caucus, EAEC. Leaders of Totori Chamber of Commerce as well as political leaders had voiced their support for the EAEC during their meeting yesterday. The Neihon Keiza Shimbun Incorporated, which operates the Nikkei stock average as well as the NEIHON SHEIZAI daily and Nikkei weekly newspapers have also indicated their support for the EAEC.

Datuk Sri Dr. Mahathir also clarified reports in Japan which said he had changed the stand on Australia's participation in the EAEC. He said what he meant was that Australia's interest of becoming an Asian country was not enough, which is, voicing out its interest and

its geographical position. Australia needed to change its culture to that of Asia.

Meanwhile, the prime minister said that Malaysian-made motorcycles will roll off for the first time from the manufacturing plant in Gurun, Kedah, at the end of next year. The cost of putting up the plant and the transfer of technology from Kawasaki Heavy Industries is estimated between 200-500 million ringgit. Initially, the plant will manufacture 90cc-100 cc engines for the motorcycles before venturing into bigger models. Three hundred and fifty thousand units would be manufactured in the first three years.

Tokyo, U.S. Urged To Reach Auto Trade Accord

*OW1705105695 Tokyo YOMIURI SHIMBUN
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[Editorial: "Aim for Agreement, Not Confrontation, on 'Autos'"]

[FBIS Translated Text] The U.S. Government has decided on actions to take in wake of the breakdown in Japan-U.S. talks on autos and auto parts. Within the next few days, it will announce a list of sanctions against Japan on the premise of enacting them under Section 301 of the U.S. Trade Act (presidential measures to impose sanctions against unfair trade practices), while delivering a note to the WTO notifying it of its intention to file a formal complaint.

This U.S. position of seeking to resolve the dispute under the WTO's rules, which are aimed at promoting free trade, while preparing to impose unilateral sanctions, which are against such international rules, is certainly self-contradictory.

What was anticipated was a hardline stance that would consist of first arousing a Japan-bashing mood by announcing a list of sanctions involving large amounts [in punitive tariff duties], and then quickly imposing those sanctions. The actual U.S. position of requesting that the WTO resolve the dispute if there is a failure in the bilateral nation-to-nation talks merits praise in this respect.

Some say that one reason for the impasse in the auto talks is the Clinton administration's political motive of wanting to draw tangible, numerically-expressible concessions from the Japanese Government, and thus, win the support of the auto-related industry and auto labor unions for next year's presidential election.

But if the present situation develops into a "trade war" between Japan and the United States, a condition that would impede the overall growth in Japan-U.S. relations, it will also most likely work as a disadvantage.

The timing of the U.S. Government's actions suggest that the filing of a case with the WTO or the initiation of the sanctions against Japan will come after the Japan-U.S. summit, which is due to be held at the same time as the industrial nations' [G-7] summit in mid-June. We would like to interpret this as an expression of its desire to resolve the issues before the summit.

The two nations' governments should do all they can to reach an agreement in the talks before this summit.

One of the keys to reaching an agreement is held by the United States.

The main cause for the collapse of the recent Japan-U.S. ministerial talks was because the U.S. Government persisted on upscaling the Japanese automakers' voluntary plans on the purchase of U.S.-made auto parts. That topic is not supposed to be addressed in government-to-government negotiations.

The Japanese Government has made a major compromise in the area of deregulation with respect to replacement parts — the area that the U.S. Government feels should be subject to sanctions. Despite this, the U.S. Government persisted in its tough stand saying: "We will go for sanctions if the voluntary plans are not up-scaled;" and the negotiations eventually broke down.

If the United States persists with this position, and Japan decides on actions to counter the U.S. sanctions, confrontation between the two countries will only grow. And if Japan files its case with the WTO and succeeds in getting a ruling that finds the U.S. sanctions to be unfair, then the U.S. Government will come under attack from within its own country.

We hope the U.S. Government will think calmly and choose a policy directed at reaching an agreement rather than a confrontation.

Another key is held by Japan. Helped by the fall of import prices resulting from the yen's surge, sales of imported vehicles continued to grow for 18 consecutive months up until April. In the area of international balance-of-payments, the current-account surplus has dropped in dollar value for the first time in four years, and the trade surplus has dropped based on the yen as well.

It is important that the government promptly come up with convincing concrete measures such as those that can cause deregulation to jumpstart the growth of imports and the trade deficit's reduction, promote domestic demand, and change the economic structure itself. These measures should be enacted together with the measures to deal with the strong yen problem.

We would like to ask for the Murayama government's resolve in this regard.

Iranian Official Comments on U.S. Embargo

OW1705110595 Tokyo KYODO in English

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[FBIS Transcribed Text] Tokyo, May 17 KYODO — The U.S. trade embargo against Iran will not be a serious threat to Tehran but will instead hurt U.S. companies doing business with Iran, a senior Iranian government official said Wednesday [17 May].

"We believe that no serious problem would be created for us, since years after the revolution we have completely lost dependence on the United States," Iranian Deputy Foreign Minister Alaedgin Borujerdi [name as received] told a news conference.

"We have no worry regarding this trade ban, and we believe that it will be the U.S. companies that shall be in loss" as a result the ban, he said through an interpreter.

The executive order, issued by the White House last week in response to Iran's alleged support for international terrorism, prohibits trade with Iran, as well as trade financing, loans and related financial services.

Borujerdi, in Japan to attend a vice foreign ministerial meeting with his Japanese counterpart, urged Japan to resume its yen loans to Iran.

He said the yen loans "symbolize friendship" between Iran and Japan and he hopes the Japanese Government "will live up to its commitments."

Japan resumed extending official development assistance to Iran in May 1993, thawing an 18-year freeze on official lending to that country.

Tokyo provided 38.6 billion yen in credit as a first installment for a hydroelectric power project on the Karun River in southern Iran.

The decision on the second 45 billion yen installment of the aid was expected to be made last summer but was postponed after U.S. calls to scrap the financing deal because of allegations that Iran is supporting terrorism.

Borujerdi did not give a specific deadline for Japan's decision on the resumption of the aid, merely saying that the project is under way and that Tehran hopes to complete it "at an appropriate time."

On Monday, Borujerdi urged Japan to resume the loans as soon as possible when he met Deputy Foreign Minister Hiroshi Fukuda.

Fukuda reportedly replied that Japan is currently studying the matter.

Japan-U.S. Discord Over Iran Sanctions Viewed

*OWI705052495 Tokyo MAINICHI SHIMBUN
in Japanese 14 May 95 Morning Edition p 3*

[Unattributed article: "Tokyo, Washington Disagree on Sanctions Against Iran"]

[FBIS Translated Text] Attention is focusing on Japan's policy toward Iran because the United States, which has announced an end to all U.S. trade and investment with Iran on the grounds that Iran has developed nuclear weapons and sponsored terrorism, has called on Japan to go along with Washington on the sanctions. However, Japan is indicating its refusal to go along with the United States on the sanctions while assuming a posture of looking for an opportunity to resume yen loans to Iran despite Washington's objection to the loans. Japan and Iran will hold regular vice ministerial talks in Tokyo on 15 May for the first time in two and a half years; the U.S.-imposed sanctions on Iran and Tokyo's resumption of the yen loans are on the agenda of the talks. While Washington has taken a hardline policy toward Iran, Tokyo has been negative about Washington's policy. Why are Tokyo and Washington in disagreement on Iran? What effect will the U.S.-imposed economic sanctions have?

Administrative Vice Foreign Minister Kunihiro Saito has stated: "The isolationist policy will not turn Iran into the kind of nation that Japan wishes to see." In this way, the Foreign Ministry is negative about the U.S.-imposed economic sanctions on Iran. The Foreign Ministry is looking at when to resume the yen loans to Iran after concluding that it is more effective for Japan to provide Iran with economic aid in light of "Japan's consistent diplomacy toward Iran since the 1980's and Iran's supply of oil to Japan."

The international community is concerned that 1) Iran has objected to peace in the Middle East; 2) Iran has gotten involved in sponsoring terrorism; and 3) Iran is suspected of developing nuclear weapons. A top Foreign Ministry official pointed out that "other nations share the concern over Iran's sponsorship of terrorism," but he underscored that "Tokyo does not need to agree 100 percent with Washington." Washington has failed to win international support for its economic sanctions on Iran and the Foreign Ministry cites Washington's failure to win international support as one of the reasons for Tokyo to refuse to go along with the U.S.-imposed economic sanctions on Iran, asserting: "No nation clearly states that Washington's policy toward Iran is correct."

A senior Foreign Ministry official said: "The present Iranian Government is adopting a realistic policy of intro-

ducing Western capital and liberalizing Iran's economy. For Iran to become a more moderate and realistic nation, other nations must back moderates in Iran and cooperate with Iran in promoting economic reform. There is a strong possibility that the U.S.-style hardline policy will drive Iran into a state of desperation and make that country more radical."

The Middle East is a region that supplies oil to Japan and the situation in Japan is different from that of the United States. For this reason, Japan has consistently pursued its own independent diplomacy in the region.

Last year, Tokyo put off the decision on resuming the second yen loans to Iran — to be used for construction of the Karun Dam — in the face of opposition from Washington, and resumption of the second yen loans to Iran will become the most contentious point for the time being. In early March, the Japanese Government sent government representative Nobuo Matsunaga to Iran. During his stay in Iran, Matsunaga worked to create a climate for Japan to resume the second yen loans while meeting with Iranian President Rafsanjani.

Washington has asked that "if Tokyo is unable to go along with the U.S.-imposed economic sanctions on Iran, it freeze the second yen loans." In response, Tokyo plans to hold up its plans to resume the loans to Iran until after the summit of industrialized nations (the Halifax summit) scheduled for June decides whether to join the U.S.-slapped economic sanctions on Iran.

North Korea**Foreign Officials Urge U.S. To Implement Pact**

*SK1505231895 Pyongyang KCNA in English
1503 GMT 15 May 95*

[All names as received]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — Figures of political parties and organizations in different countries have denounced the irresponsible attitude of the United States which has endangered the implementation of the DPRK-U.S. framework agreement.

Alhaji Adam Bukhari Ziblim, general secretary of the National Convention Party of Ghana, said in a press statement: The United States is insisting on the provision of "South Korean-model" light water reactors [LWR's] which are unacceptable for their technology and safety and for political reason. This clearly shows that she has no willingness to solve the nuclear issue of the Korean peninsula on the basis of the DPRK-U.S. framework agreement, but seeks a sinister purpose by dragging South Korea into this matter.

Chita Vishwath, secretary general of the All India Peace and Solidarity Organization, said in a press statement that the Democratic People's Republic of Korea has the right to opt for the most acceptable LWRs as a buyer under the DPRK-U.S. framework agreement.

The United States should have a sincere attitude, respect the will and position of the dialogue partner in the spirit of the agreement, and hold negotiations in the interests of her and world's peoples who hope for the improvement of the DPRK-U.S. relations, he held.

Meanwhile, the Nepal-Korea Friendship Association and the Nepalese Committee for Support to Korea's Reunification said in a joint statement: The United States has enforced only "South Korean-model" LWRs on the DPRK with an intention to stifle its socialist system through her intensified pressure and blockade and further build up her military power in South Korea.

The statement strongly urged the United States to honestly implement the DPRK-U.S. framework agreement.

ROK Brings Military Equipment Into DMZ

*SK1705044995 Pyongyang KCNA in English
0434 GMT 17 May 95*

[*"Continued Military Provocations"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The South Korean puppets on Monday illegally introduced 90 mm recoilless guns and large-calibre machine guns into MP posts in the Demilitarized Zone (DMZ) of the eastern and central sectors of the front and took aim at the North side's posts, threatening civil policemen there, military sources said. They also sent scores of puppet army soldiers armed with machine guns and automatic rifles into the DMZ area in the central sector of the front to commit grave military provocations.

The ever intensified military provocations in the DMZ show that the Kim Yong-sam clique's war hysterics against the North is reaching a grave stage.

ROK Blocking of N-S Cultural Contacts Decried

*SK1705052595 Pyongyang Korean Central
Broadcasting Network in Korean
1223 GMT 16 May 95*

[Commentary by Kim Ho-sam: "Vicious Challenge to the National Aspiration for Reunification"]

[FBIS Translated Text] According to Seoul radio, the South Korean puppet administration has decided not to allow North-South joint rallies at Panmunjom at all even though North and South Korean organizations concerned have agreed to hold a meeting with regards

to exchanges in social and cultural fields, including the religious sector. This is another vicious challenge to all Korean compatriots in the North, the South, and overseas who are vigorously accelerating the march for reunification in the nineties.

As everyone knows, the 50th anniversary of the fatherland's liberation and the national division falls in this year. It is our 70 million people's firm will and faith that they will put an end to the history of the half-a-century-long national division and achieve reunification in the nineties. This is why all Korean compatriots in the North, the South, and overseas have actively carried out a nationwide reunification movement from the very beginning of this year.

We convened a joint meeting of political parties and public organizations of the Republic in January and proposed that all fellow countrymen at home and abroad gather at Panmunjom on 15 August to grandiosely celebrate the 50th anniversary of the fatherland's liberation and that representatives of political parties, factions, and people from all walks of life at home and abroad hold a great national meeting there to discuss and decide on the nation's common method of reunification.

On 5 April, the North side's preparatory committee for a national reunification festival celebrating the 50th anniversary of the fatherland's liberation sent letters to many South Korean figures suggesting to hold a meeting in a third country sometime in April to discuss preparations for the 15 August festival.

These proposals put forward by us came out of a sublime patriotic position for hastening the country's reunification, overcoming differences in idea, ideology, and system. Therefore, people from all walks of life at home and abroad actively welcomed and supported the proposals.

Under this situation, Yi Ki-tae, head of the South Korean Democratic Party, has expressed again his willingness to visit the North, stressing the need to prepare a new turning point in South-North relations this year when half a century has passed since the liberation.

Meanwhile, Chonnam University of South Korea proposed to invite students of the North's Kim Chaek University of Technology and those of Choson University in Japan to its festival slated for September to strengthen the solidarity for the fatherland's reunification among the South, the North, and overseas.

In addition, the Korea Federation of University Student Councils [Hanchongnyon], a vanguard unit of the reunification movement in South Korea, declared the inauguration of the third Hanchongnyon on 5 May and is now vigorously engaged in the reunification movement.

Now, the North, the South, and overseas are indeed seething with new zeal for reunification. However, pouring cold water onto the whole nation's reunification zeal, the Kim Yong-sam ring is viciously conducting such antireunification and confrontation maneuvers as arbitrarily arresting and confining those patriotic figures who visited the North to do good things for achieving national reconciliation and unity. This is well-proven by the fact that An Ho-sang, leader of South Korea's Taejonggyo, and Kim Son-chok, chairman of the Association of Fighters for Unification and Independence, who visited the North in the twilight of their lives to pay reverence to the tomb of Tangun, the progenitor of the nation, with purely nationalist ideals and a religious mission, are being persecuted and oppressed by the Kim Yong-sam ring for their secret visit to the North.

Lately, the puppets are waging the largest-ever war exercise for northward invasion, infiltrating fighter planes into our side's area in broad daylight and randomly firing large-caliber machine guns without hesitation.

The Kim Yong-sam ring's recent announcement of its decision to block any sort of joint meetings at Panmunjom by North and South Korean social and cultural associations, including religious ones, is an open declaration to block any trivial contact between the North and the South and keep them completely closed to each other. By doing so, the Kim Yong-sam ring again revealed itself as a vicious challenger to the fatherland's reunification, and revealed that it does not want national reconciliation and unity.

Although he is talking about North-South dialogue or something, traitor Kim Yong-sam has shown that he does not have the slightest intention to actually hold dialogue.

Facts show that we cannot achieve either the nation's reconciliation and unity or the country's reunification with the Kim Yong-sam ring as it is. The challenger to reunification has no place to stand any more as a member of the nation. Only a stern historical judgment is in store for the antireunification and fascist ring, which is creating only a greater blockade and obstacles to the fatherland's reunification.

Kim Yong-sam Denounced for Antireunification Acts

*SK1705053195 Pyongyang Korean Central Broadcasting Network in Korean
0653 GMT 16 May 95*

[Unattributed talk: "Traitor Kim Yong-sam's Intolerable Antireunification Act"]

[FBIS Translated Text] The puppet traitor Kim Yong-sam is a national betrayer and a toadyist nation-seller who, in defiance of the unanimous aspirations and earnest desires of his 70 million fellow countrymen, has unhesitatingly committed treacherous acts that run counter to the 10-point program of the great unity of the entire nation for the reunification of the fatherland.

In the early days of power, the traitor Kim Yong-sam raved that priority would be given to the nation. The puppet traitor negated the 10-point program of the great unity of the entire nation for the reunification of the fatherland, which we presented, and constantly sought to rely on outside forces.

Here are a few examples. As soon as the puppet traitor Kim Yong-sam took power, he resumed the aggressive Team Spirit joint military exercise, which the military dictators before him had suspended, with outside forces and thus reversed North-South relations to a tense confrontational phase. Following in the footsteps of outside forces, the puppet traitor raised the nonexistent, so-called nuclear issue of the North and frantically pursued a so-called international cooperation system and sanctions to isolate and crush our Republic.

The puppet traitor Kim Yong-sam, moreover, stopped all contacts and dialogues with us, increased the confrontation and fascist suppression more than ever before, and thus hindered national reconciliation and unity by all means.

During the historic period when implementing the North-South agreement was put on the order of the day, the puppet traitor picked a fight with us, saying that he could not shake hands with a partner that has nuclear weapons, and committed the vicious act of totally freezing dialogue that had been held even during the military dictatorships of Chon Tu-hwan and No Tae-u, the traitors and murderers. As a result, he blocked the North-South agreement and the joint denuclearization declaration, which had already been adopted and effectuated and is about to be implemented, from being implemented, and virtually rendered them into blank sheets of paper.

Moreover, the puppet traitor Kim Yong-sam bestially suppressed the pan-national rally in Seoul last year and

prevented various South Korean figures from attending a meeting to dedicate the reconstructed Tangun tomb and the delegates of our Republic from attending the third meeting of Asian solidarity for the comfort women issue held in Seoul. He did not allow any civilian North-South contacts and dialogue.

Being such a vicious betrayer, the puppet traitor Kim Yong-sam is trying to punish An Ho-sang, leader of South Korea's Taejonggyo, and Kim Son-chok, chairman of the National Conference for Reunification and Liberation, elderly religionists who had returned home after holding a memorial service at the tomb of Tangun, the founder of the nation.

The puppet traitor Kim Yong-sam, an antireunification element, is today trying to block representatives of South Korean political parties and public organizations and figures from all other walks of life from attending the grand national reunification festival celebrating the 50th anniversary of the national liberation.

While talking about the spy ring incident or the chuche idea faction, the puppet traitor Kim Yong-sam finds fault with us and intensifies fascist suppression commotions. A good example is the fact that the puppet traitor Kim Yong-sam recently had the puppet Agency for National Security Planning fabricate the so-called brother-sister spy incident.

The puppet traitor Kim Yong-sam more openly maneuvered to hinder national unity and reunification when we suffered an unexpected big loss. Far from expressing condolences to fellow countrymen who suffered the nation's saddest incident and greatest loss, the puppet traitor Kim Yong-sam aimed guns at us, dreamed of so-called change, and inspired North-South confrontation. This is a never-to-be-condoned, unparalleled, grave crime.

A South Korean dissident figure recently said that the government attitude at the time of the controversy regarding condolences was wrong and demanded that it take appropriate measures. The puppet traitor Kim Yong-sam recently pressured him to explain why he had made such remarks and tried to justify their never-to-be-condoned, unparalleled, grave crime. This truly is an act of committing another grave crime on top of the crime which he had already committed.

Truly, the puppet traitor Kim Yong-sam is a villain who goes against the basic human conscience and courtesy and a vicious national betrayer who cannot live with the 70 million fellow countrymen under the same heaven.

National unity is a prerequisite for the fatherland's reunification. The puppet traitor Kim Yong-sam negating the 10-point program of the great unity of the entire na-

tion for the reunification of the fatherland, eventually, is an act of negating the fatherland's reunification.

All facts clearly show the great unity of the entire nation and the fatherland's reunification cannot be achieved smoothly if the vicious antireunification, confrontational element is left intact.

All fellow countrymen in the North and South and abroad must strongly unite under the banner of the 10-point program of the great unity of the entire nation for the reunification of the fatherland and stand up like one to wage the struggle to overthrow the puppet traitor Kim Yong-sam, abolish the fascist National Security Law, and hold the grand 15 August national reunification festival.

ROK Regime Overthrow Urged To Settle Kwangju
*SK1605104895 Pyongyang KCNA in English
1013 GMT 16 May 95*

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — NODONG SINMUN today dedicates a signed article to the 15th anniversary of the heroic Kwangju popular uprising in South Korea.

The Kwangju incident cannot be settled without overthrowing the colonial fascist "regime" of South Korea, the author of the article of the paper says, and continues:

The Kwangju popular uprising of May 1980 was a just anti-imperialist, anti-fascist resistance of the people against the criminal moves of the U.S. imperialists and the Chon Tu-hwan group to bring the fascist "Yusin" system back to life.

The U.S. imperialists and Chon Tu-hwan, their stooge, however, put down the resistance with the most truculent massacre without an equal in history.

The Kwangju massacre committed by the Chon Tu-hwan-No Tae-u group by killing thousands of citizens was the most barbaric homicide ever in history for its viciousness and truculence. It has left an indelible rancor in the minds of the Korean people.

Fifteen years have passed since the Kwangju massacre, but the truth behind the massacre remains in darkness, free from investigation.

"Civilian"-veiled Kim Yong-sam "promised" that if he took office, he would start first with the probe into the truth behind the Kwangju massacre and with the punishment of its main culprits. However, he threw away his "commitment" like a pair of wornout shoes. At the end of last year, he did not agree to a trial of Chon Tu-hwan and No Tae-u, main culprits of the Kwangju

massacre, and went the length of pardoning them with the suspension of the indictment.

If the desire of the Kwangju uprisers who shed their blood in the resistance 15 years ago is to be realised, it is imperative to do away with the colonial fascist dictatorial system which was framed up on the sea of blood of Kwangju and which has been handed over to the present Kim Yong-sam "regime" and put an end to the domination and interference by outside forces, backstage manipulator of the massacre. To this end, the Kim Yong-sam group must be overthrown first of all.

ROK DLP Candidate for Seoul Mayor Criticized

*SK1605053295 Pyongyang KCNA in English
0459 GMT 16 May 95*

[*"Outcries of Person Engrossed in Wild Ambition for Invasion of North"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — Chong Won-sik who is commended as a "candidate for mayor of Seoul" from the "Democratic Liberal Party [DLP]" prattled that when he is elected "mayor of Seoul," he will make it assume the look of the "capital of a unified state."

Commenting on this, NODONG SINMUN today brands his remarks as silly ones of a person who keeps the wild ambition for "unification through northward invasion" to the marrow.

The analyst goes on:

Chong Won-sik signed the North-South agreement in the capacity of the "prime minister." He, however, still shows that he keeps to the marrow of his bones the wild ambition for confrontation, division and "unification through northward invasion," not the will for national reconciliation, unity and reunification.

Wormwood stalks must grow at a patch of wormwood. Chong Won-sik who is commended as a "candidate for mayor of Seoul" by the traitor Kim Yong-sam, the ringleader of treacheries and anti-reunification confrontation, and his "DLP" is none other than an anti-reunification splittist, a bellicose element.

Chong, crazy about power and engrossed only in the wild ambition for "unification through northward invasion" with no regard to the country and the nation, peace and reunification, will not avoid being thrown into a dustbin of history together with the traitor Kim Yong-sam, his guardian.

Strike at ROK's Hyundai Motor Company Noted

*SK1705045095 Pyongyang KCNA in English
0436 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — Over 8,000 workers of Hyundai Motor Company in South Korea went on strike on Tuesday, a radio report from Seoul said.

Workers of the company had staged a partial walkout since last Saturday after Yang Pong-su, an employee, made an attempt to burn himself to death on May 12 in protest to the unjustifiable discharge from the company.

This strike was launched after they held department meetings and rallies of protest one after another to strongly demand an immediate resignation of the management board of the company and the reinstatement of the fired worker.

Korea University Student Protests Reported

*SK1705045995 Pyongyang KCNA in English
0440 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — Over 100 students of Korea University on Monday staged a protest against the fascist clique's arrest of seven colleagues on charge of violation of the "National Security Law", according to a radio report from Seoul.

They went to the puppet Seoul police office to urge an immediate release of them.

But the fascist clique walked away the protestors to Mapo and four other police stations.

ROK Prisoners Reply to Korean Residents in Japan

*SK1705102695 Pyongyang KCNA in English
1012 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — Kim In-so and Ham Se-hwan, unconverted long-term prisoners in South Korea sent letters carrying their firm determination to Korean residents in Japan, according to CHOSON SINBO.

The paper dated May 12 said that they had received letters and relief goods carrying compatriotic feelings of Koreans in Japan.

Ham Se-hwan wrote in his letter to students in the Kanto area:

I am convinced that it will not be long before my repatriation and the reunification of the country as we have you compatriots in Japan who keep the homeland in mind all the time.

Asking the students to continue the struggle for the day when they will meet with each other in a unified land, Ham declared he would fight to keep his principles to the last.

Kim In-so said in his letter to a woman compatriot in Kanto: The encouragement and support from fellow countrymen in the North and the South and overseas compatriots gives a great strength to me and they are hardening my faith that I am not alone in fighting.

He wrote that he would never change nor give up the course of life he took of his own accord and has covered for seventy years. "I will live with a pride and honor of being a son of the dignified fatherland and achieve at any cost my wish for repatriation this year," he said.

In his letter to another woman compatriot in Kanto, Kim said that he extends his heartfelt thanks to compatriots at home and abroad and progressive organizations and figures in different countries for having made tireless efforts for their repatriation. "I will gather my courage to fight against the plot and atrocity of the anti-reunification forces in any adversity, without being disappointed or falling behind," he pledged.

Strengthening of Internal Unification Forces Urged

*SK1705064195 Pyongyang KCNA in English
0516 GMT 17 May 95*

[**"Flawless Guideline in Building Up Internal Forces for National Reunification" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The 10-point programme of the great unity of the whole nation laid down by the great leader Comrade Kim Il-song is a flawless guideline to strengthen the internal forces of the nation for the reunification of the country, and its materialisation is a way to life for the Korean nation and a road to reunification, says NODONG SINMUN in a signed article today.

The article says the calls of the Central Committee of the Workers' Party of Korea published on the occasion of the 50th foundation anniversary of the party laid a particular stress on a firm unity of all Koreans in the North, the South, and overseas transcending the differences in idea and system under the banner of the 10-point programme of the great unity of the whole nation.

The article quotes the great leader Comrade Kim Il-song as saying:

"The realization of the independent and peaceful reunification of the country is inconceivable without great national unity."

Great national unity is a basic prerequisite and an essential guarantee for national reunification. For the whole nation to unite as one and strengthen the driving force for reunification is a decisive guarantee for reunifying the country.

Let us implement the 10-point programme of the great unity of the whole nation for the reunification of the country! This is the supreme slogan of struggle that should be put up by the Korean nation at present.

All Koreans in the North, the South, and overseas should unite as one nation, transcending all their differences in ideology, idealism and religious belief, and those with strength giving their strength, those with knowledge giving their knowledge and those with money donating their money, all should make a tangible contribution to the cause of national reunification.

National reconciliation and unity and reunification cannot be achieved without keeping the traitorous Kim Yong-sam clique from seeking anti-reunification confrontation and division and provocations for war.

The more urgent the reunification of the country becomes and the more undisguised the schemings of the anti-reunification divisionist forces get, the higher the 70 million fellow countrymen at home and abroad should hold the banner of the 10-point programme of the great unity of the whole nation. And they should turn out as one in its implementation.

Daily Views Reunification Through Confederation

*SK1405110595 Pyongyang KCNA in English
0838 GMT 14 May 95*

[**"NODONG SINMUN Calls For Achieving National Reunification Through Confederacy Formula" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — As clarified by the calls of the Central Committee of the Workers' Party of Korea published on its 50th foundation anniversary, the most reasonable and realistic way of national reunification is to establish a confederation based on one nation, one state, two systems and two governments, stresses NODONG SINMUN today in a bylined article titled "Confederation Formula Is Most Realistic Way for National Reunification".

The proposal for achieving reunification through confederacy says that the country should be reunified by founding a confederal republic through the establishment of a unified national government on condition that the North and the South recognize and tolerate each other's ideas and social systems, a government in which the two sides are represented on an equal footing and

under which they exercise regional autonomy respectively with equal rights and duties.

The author of the article writes: To achieve the reunification of the country by means of confederation based on one nation, one state, two systems and two governments is a great principle included in the ways of national reunification which conform with the desire of the nation and the actual conditions of Korea.

No matter how the situation of Korea may change in the future, this great principle should be applied for national reunification. Only then will the country be reunified in accordance with the desire of the nation.

Long ago, the great leader Comrade Kim Il-song put forward the proposal for founding the Democratic Confederal Republic of Koryo (DCRK) as a way of reunification through confederation based on one nation, one state, two systems and two governments.

For its feasibility, reasonableness and fairness, this proposal not only enjoys full support and welcome from seventy million fellow countrymen in the North, the South and overseas but also wins great sympathy from the peaceloving people all over the world. The point is to arrange a nationwide dialogue which can put together the will of the entire nation so as to discuss and confirm the DCRK founding proposal as a way of national reunification common to the nation.

Considerate of this realistic demand, the political parties and organisations in the northern half of Korea proposed that the people in the North, the South and overseas jointly sponsor a great national reunification festival marking the 50th anniversary of the liberation of the country around August 15 and delegates of the people of all social strata in the North, the South and overseas convene a great national conference which will discuss and confirm the way of reunification common to the nation.

When this epochal proposal is brought to a success, it will no doubt make a breakthrough for reunification in the 1990s.

Daily on Three Principles of Reunification

*SK1205121195 Pyongyang KCNA in English
1025 GMT 12 May 95*

[**"NODONG SINMUN Calls for Implementation of Three Principles of National Reunification"** — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — All the people must fulfill without fail the behests of the great leader Comrade Kim Il-song for the reunification of the country by strictly adhering to and

implementing the three principles of reunification, as indicated by the Central Committee of the Workers' Party of Korea in its calls, under the guidance of the great leader Comrade Kim Chong-il, stresses NODONG SINMUN in a by-lined article today.

Korea should be reunified on the basis of the three principles — independence, peaceful reunification and great national unity — in any case, the article says, and continues:

It is important now in holding fast to and implementing the principles to steadfastly maintain the stand of national independence.

Korean reunification should be realised by the efforts of the Korean nation without any foreign interference.

All the people who hope for the country's reunification must categorically reject dependence on outside forces, take the stand of national independence, and rely on the independent forces of the nation.

The reunification of the country should be achieved in a peaceful way, not by means of war. As the reunification is essential for the happiness and wellbeing of the whole nation, it does not need a fratricidal war.

What is important now in ensuring peace in the Korean peninsula is to prevent the danger of war and turn the state of armistice into a solid peace system in the peninsula. All the Koreans in the North, the South and overseas must rise up in the struggle for smashing the war provocation moves of outside forces and their stooges, the separatists, and establish a solid peace system in place of the state of armistice.

Promoting the great unity of the nation is one of important tasks in implementing the three principles to the letter.

The 10-point programme of the great unity of the whole nation put forward by Comrade Kim Il-song is the correctest guideline for building nation's own forces for national reunification and a political charter of great national unity. The whole nation must be united closely irrespective of the differences in ideology and system, upholding the 10-point programme.

Talk Applauds Three Reunification Principles

SK1605055195 Pyongyang Korean Central Broadcasting Network in Korean 0650 GMT 15 May 95

[Unattributed talk: "Three Principles of Independence, Peaceful Reunification, and Great National Unity Are the Nation's Confirmed Principles on Reunification"]

[FBIS Translated Text] All fellow countrymen in the North and South and abroad are excited with the Workers Party of Korea Central Committee's slogans released on the 50th anniversary of the party's founding.

Achieving great national unity is more important than anything else in achieving the independent, peaceful reunification of the fatherland. The problem of independently, peacefully reunifying the fatherland is unthinkable apart from our nation's great unity. Great national unity is a basic prerequisite for the independent, peaceful reunification of the fatherland.

All Korean people must more strongly adhere to the three principles on the fatherland's reunification, which the great leader gave to the 70 million fellow countrymen, and will achieve reunification in the nineties without fail under the wise leadership of the great leader Comrade Kim Chong-il.

Apart from the stand of independence, no problem concerning the fatherland's reunification can be solved in compliance with our nation's demands and interests. This is why the principle of independence is the most important among the three principles and the basic principle in reunification.

For all fellow countrymen to strongly unite into one and strengthen the main forces for reunification is a decisive guarantee for the fatherland's reunification. Under today's circumstances in our country in which two different ideas and systems exist in the North and South, if we are to achieve the independent, peaceful reunification of the country, we must transcend differences in ideas and systems and achieve great national unity. This is the only way.

If we are to reunify the country, we must thoroughly reject the idea of relying on outside forces and assume a stand of national independence. We must also rely on the independent national strength, not outside forces, the ringleader of the national division.

Independence is a basic stand we must firmly assume in achieving the cause of national reunification. Our people's struggle to reunify the fatherland, in essence, is a struggle to bring an end to the outside forces' rule and intervention and achieve national independence. The

division of our country was imposed by outside forces, not by the will of our nation.

Our fellow countrymen who are suffering misfortunes and catastrophes due to national division, have no reason to fight with each other to reunify the divided fatherland. War is not beneficial to either the North or the South. We do not want to fight with our fellow countrymen but want to achieve peaceful reunification. The principle on peaceful reunification stipulates that the North and South shall solve the reunification problem through dialogue and negotiations without using power against each other. This is a just principle on the fatherland's reunification that makes it possible to achieve the country's reunification in compliance with our people's earnest desire and interests.

The fatherland's reunification is work for all fellow countrymen and a cause that can only be achieved by all Korean people's united struggle. All Korean people are main forces in the fatherland's reunification.

The great leader Comrade Kim Il-song has taught: The justness and vitality of the three principles on the fatherland's reunification, the nation's common reunification program, are more clearly proven as time goes by.

The problem of reunifying the fatherland is the nation's internal problem which our nation must solve on our own strength and our people's right to self-determination. Any outside forces have no right to intervene in solving the problem of reunifying our country or can solve the problem of reunifying Korea on behalf of our nation.

The reunification of our country must be achieved based on the three principles on the fatherland's reunification without fail. The three principles on the fatherland's reunification correctly reflect our nation's independent demands and interests, the essence of the struggle for national reunification, and the real situation in our divided country and most clearly elucidate the basic principles on national reunification and ways for national reunification.

The reunification of our country must not be achieved by means of war but by peaceful means. It is very clear that the fatherland's reunification, which will reconnect the severed national blood lines and achieve national reconciliation, cannot be achieved by means of war.

The three principles on the fatherland's reunification — independence, peace, and reunification — is the grand charter for reunification and the nation's common reunification program; their justness and vitality have already been proven; and they have been acknowledged to be the immortal supreme principle on achieving the cause

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of reunifying the fatherland. When we strongly adhere to the three principles on the fatherland's reunification and implement them, we will achieve the cause of reunifying the fatherland without fail.

The three principles on the fatherland's reunification are the nation's common principles on reunification acknowledged worldwide which the North and South agreed on and declared at home and abroad in the 4 July joint statement.

The three principles on the fatherland's reunification are unchanging principles on reunification that must be maintained without fail to solve the problem of national reunification in compliance with the nation's will and interests no matter how the situation may change in our country.

The three principles of independence, peaceful reunification, and great national unity are the nation's confirmed common principles on reunification: This slogan correctly reflects the trend of the present era and our nation's unanimous demand that the fatherland be reunified independently, peacefully on the united strength of the entire nation.

Democratic Front Marks Kwangju Incident

*SK1705102795 Pyongyang KCNA in English
1017 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The Pyongyang mission of the National Democratic Front of South Korea Tuesday called a press conference on the lapse of fifteen years since the heroic Kwangju popular uprising.

Chief of the mission Yi Chong-sang told the press conference that the Kwangju resistance, which took place 15 years ago, was a death-defying insurgency and an anti-fascist struggle for democracy on the highest level aimed at meeting fascist bayonets with bayonets of justice, putting an end to the fascist rule and bringing about democratic, new politics and a new life.

He said the traitor Kim Yong-sam has backpedaled on his "commitment" concerning a probe into the truth behind the Kwangju incident and the punishment of its chief culprits and left Chon Tu-hwan and No Tae-u going scot-free. Still worse, he has defended the criminals, and is trying to hush up the Kwangju incident in oblivion, Yi Chong-sang said.

South Korean people are courageously turning out in an anti-Kim Yong-sam struggle, seeing that their way out of the present-day miserable lot is to overthrow the Kim Yong-sam "government," Yi said, adding:

The Kim Yong-sam group should draw a lesson from the disgraceful doom of its preceding dictators who were hell-bent on fascist violence and anti-DPRK schemings and immediately step down as demanded by all the South Korean people.

Yi Chong-sang, answering the questions put by reporters, referred to the noteworthy tendencies of the South Korean people this year in which falls the 50th anniversary of the liberation of Korea from the Japanese imperialist colonial rule.

The South Korean people consider it the greatest luck to have General Kim Chong-il at the head of the nation and this is the greatest strength and courage to them, Yi Chong-sang added.

Song Ho-kyong Named Ambassador to Cambodia

*SK1705001295 Pyongyang KCNA in English
2214 GMT 16 May 95*

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — Song Ho-kyong was appointed as Korean ambassador E.P. [extraordinary and plenipotentiary] to Cambodia, according to a decree of the Central People's Committee of the Democratic People's Republic of Korea.

[FBIS records list Song Ho-kyong as DPRK vice foreign minister.]

Trade Union Group Returns From PRC, India

*SK1705080095 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 14 May 95*

[FBIS Translated Text] A delegation of the Central Committee of the General Federation of Trade Unions of Korea headed by its Vice Chairman Yi Chin-su returned home by train on 14 May after its visit to China and India.

Movie Released on Japanese Invasion in 1592

*SK1705101895 Pyongyang KCNA in English
1007 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The Korean film studio is continuing to release sequels of the multi-part feature film "Japanese Invasion in 1592" on historical facts during the Imjin patriotic war (1592-1598). It has recently produced the Part 3 "Kim Ung-so and Kye Wol-hyang."

The film is based on the theme of the ardent love for the country of a famous General Kim Ung-so and kisaeng [Korean equivalent of Japanese geisha] Kye Wol-hyang. Kim displayed courage in the fight against the enemy

by forming combat units with patriotic people around Pyongyang in order to repulse the Japanese aggression army who occupied the walled city of Pyongyang, and Kye spied on the enemy's movement at the risk of her life while pretending to attend on Konishi Tobi, an enemy commander, in the walled city and informed Kim of it.

Saying occupation of Pyongyang is like occupation of Korea, Kim Ung-so found his way into the enemy camp to kill the enemy commander, and displayed courage in the fight to repulse the enemy occupying the walled city, in reliance on the righteous struggle of eight giants in Pyongyang who stood together in life and death and people, old and young, men and women, who loved the country.

The already released Part 1 "The Way Cannot Be Lent" shows the situation right before the start of the Imjin patriotic war early in the 1590s and deals with the historical fact that the Korean people waged a fierce fight in the Tongrae citadel to repulse the invasion of the Japanese aggressors. In those days, Japan arrogantly demanded the Korean feudal government open the way to the Ming Dynasty (the name of China in the 16th century) with a wicked scheme to invade Korea. An official in charge of culture and education Song Sang-hyon with extraordinary patriotism saw through Japan's sinister design and valiantly fought against the Japanese aggressors, declaring that the way can never be lent.

The Part 2 "General in Red Dress" is based on the story that Kwak Chae-u, a Confucian scholar of Uiryong, Kyongsang Province, formed volunteers with people regardless of the difference in social position and bravely fought against the foreign aggressors. He had tried to commit suicide, unable to suppress indignation at the fact that Pusan and the Tongrae citadel were conquered by the Japanese aggressors and the people were seeking shelter.

The feature film "Japanese Invasion in 1592" impressively shows the truth that the Japanese invaders boasting of the numerical superiority were defeated each time because of the people's wisdom, strength and courage and that as long as they have ardent patriotism and deep obligation, there is no need to fear any formidable enemy.

Visitors From Finland, Nigeria, Japan Arrive

SK1705045195 Pyongyang KCNA in English
0438 GMT 17 May 95

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA)
— A Finnish delegation for the study of the chuche idea headed by Pekka Rantala, chairman of the Finnish National Committee for the Study of the Chuche Idea,

and a delegation of the War College of Nigeria headed by Rear Admiral Jubrilla Ayinla, its commandant, arrived here by air on Tuesday.

A delegation of educationists of the General Association of Korean Residents in Japan and the 235th short-term home-visiting group of Korean residents in Japan arrived in Wonsan by the ship "Mangyongbong-92" on the same day to visit the socialist homeland.

Kim Chong-il Condolies Soviet Surgeon's Death

SK1705004495 Pyongyang KCNA in English
2219 GMT 16 May 95

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA)
— The great leader Comrade Kim Chong-il sent a wreath to the bier of former surgeon of the Soviet Army M. G. Shulman, expressing deep condolences over his death.

The Korean Ambassador to Ukraine laid the wreath before the bier of the deceased on May 15.

Upholding of Kim Chong-il Idea, Leadership Urged

SK1705064295 Pyongyang KCNA in English
0459 GMT 17 May 95

["Let Us Uphold Idea and Leadership of Comrade Kim Chong-il With Loyalty " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA)
— In order to accelerate the general march for the cause of socialism in response to the calls of the Central Committee of the Workers' Party of Korea [WPK] on the 50th anniversary of its foundation, the entire party members and working people in Korea should uphold the idea and leadership of the great leader Comrade Kim Chong-il with loyalty, an editorial of NODONG SINMUN today stresses, and goes on:

The call of the WPK Central Committee "Let us always be loyal to the idea and leadership of the leader, remembering that we are blessed with great leaders generation after generation!" is the slogan reflecting our conviction. We must hold it high forever for boundless prosperity of the fatherland and final victory of the revolutionary cause of chuche.

The idea and leadership of the great leader Comrade Kim Chong-il is the lifeline of our revolution. Ardent loyalty to his idea and leadership should be regarded as the motto of our all efforts and life and as the first demand.

The great leader Comrade Kim Il-song said:

"Loyalty to the leadership of Comrade Kim Chong-il will make it possible to strengthen our party, enhance

its leadership role and carry out the revolution and construction more successfully".

Boundless loyalty to the idea and leadership of the great Comrade Kim Chong-il is the duty and obligation of the entire party members and working people who lead a worthy and happy life wholly entrusting their destinies and future to him.

All party members and working people should deeply keep absolute worship for Comrade Kim Chong-il.

Everybody should be a vanguard fighter and true loyal subject in the struggle to defend his idea and leadership and thoroughly embody them and should ensure his high authority in all fields. And we should successfully embody his idea and leadership with the might of singlehearted unity of the whole party, the entire people and the whole Army and in this course we should achieve independent reunification of the country and accomplish the revolutionary cause of chuche.

Kim Chong-il's Work on Army Building Praised

*SK1605115995 Pyongyang NODONG SINMUN
in Korean 12 Apr 95 p 3*

[Article by Han Po: "A Programmatic Work That has Helped Strengthen and Develop the People's Army into the Invincible Ranks"]

[FBIS Translated Text] Today, our People's Army prides itself upon being invincible ranks that can vanquish any imperialist, powerful enemy as the Army of the leader, the Army of the party, and the Army of the revolution that resolutely defends and safeguards the revolutionary cause of chuche.

With regard to the question of strengthening and developing our People's Army into the one is a-match-for-a hundred revolutionary Armed Forces that are firmly prepared politically and ideologically, militarily and technologically, the classic work titled "Let Us Further Strengthen the People's Army Into the Invincible Ranks," which the great leader [yongdoja] Comrade Kim Chong-il published on 13 April 1985, carries great theoretical, practical significance.

In this classic work, the respected and beloved Supreme Commander Comrade Kim Chong-il brightly elucidated programmatic tasks and methods arising from strengthening our People's Army into the invincible ranks, which can resolutely cope with, and win over, any maneuvers of the enemies, by thoroughly carrying through our party's military lines. His work has made a comprehensive compilation of the great leader Comrade Kim Chong-il's chuche-oriented ideology and theory about army building. Elucidated in this work is a question of highly displaying the Army's political and ideological

superiority in conformity with the revolutionary nature and mission of our People's Army; a question of decisively raising the qualifications of all soldiers in conformity with the characteristics and demands of modern warfare so they can familiarize themselves with the chuche-motivated war methods and modern military science and techniques and so they can skillfully fulfill their duties; and a question of having the commanding officers of the People's Army possess a revolutionary and popular-minded commanding style. The chuche-oriented military ideologies and theories put forth in this work serve as the programmatic guiding principle in strengthening and developing our People's Army into an invincible army.

At the present moment, while looking back upon the glorious road traversed by our People's Army over the past ten years, the officers and men of our People's Army are keeping deep in their hearts the fact that the ideology and theory, which the respected and beloved Supreme Commander Comrade Kim Chong-il put forth in his work, are just and that the great general is an iron-willed, brilliant commander with talented resourcefulness and the art of command.

The greatest happiness and the boundless honor of our people and the officers and men of the People's Army lie in upholding the respected and beloved General Kim Chong-il, a great military strategist, and in carrying out revolution with the general's outstanding ideology about army building.

The great theoretical and practical significance of this work lies, above all, in the fact that this work has highly displayed the political and ideological superiority of our People's Army, thereby helping endlessly strength and develop the People's Army into the Army of the leader, the Army of the party, and the Army of the revolution.

The great leader Comrade Kim Chong-il has pointed out:

"The source of the invincible might of our People's Army lies in its political and ideological superiority; and what is above all important in this point is the comradely unity of the revolutionary ranks."

The revolutionary Army is the Army of the leader, the Army of the party, and the Army of the people; and its might lies in its political and ideological superiority. Political and ideological superiority is the basic factor that helps the revolutionary Army vanquish any formidable enemy. The decisive factor determining the victory or defeat in a war lies not in weapons or techniques; but in the high ideological and political traits of the revolutionary Army. The features of the political and political superiority, which only the revolutionary

Army can possess, are the noble revolutionary spirit of struggling for the people's freedom and liberation; the sense of endless loyalty to the party and the leader; the matchless, self-sacrificing spirit and mass heroism of willingly devoting the bloom of youth and life to the fatherland and revolution; the revolutionary comradeship between officers and men and their ties of kinship with the people; and the voluntary military discipline. The proud history of victory, whose road our revolutionary Armed Forces have traversed, shows that the revolutionary Army, which is firmly prepared politically and ideologically, is fully capable of beating any formidable enemy that is equipped with ultramodern arms. The political and ideological superiority is the intrinsic superiority of the revolutionary Armed Forces; and it is the source of the invincibility of the revolutionary Armed Forces.

In the work, problems on firmly arming the soldiers of the People's Army into our party's revolutionary ideology; defending and safeguarding the party and leader politically and with life; and impregnably uniting the whole Army around the party and leader, were emphasized as important matters. In particular, based on loyalty and revolutionary comradely love toward the party and revolutionary cause by all officers and men including the commanding cadres of the People's Army, the work also elucidates in detail the tasks and methods of highly manifesting the political and ideological superiority of the People's Army, including problems of firmly uniting through ideological will and cherishing and loving each other from the spirit of unity between officers and men.

The work's ideology on highly manifesting the political and ideological superiority of the People's Army becomes a programmatic guideline in firmly adhering to the revolutionary character of the People's Army and making it possible to fulfill the mission and duty of the Army of the leader, the Army of the party, and the Army of the revolution.

Today, the state of the ideological spirit of our officers and men of the People's Army is very magnificent. All the soldiers of the People's Army are bearing in their hearts with revolutionary faith and integrity the loyalty toward the party and leader and are vigorously fighting to achieve it. The consistent faith and will of our officers and men of the People's Army is to become rifles and bombs to safeguard the respected and beloved Supreme Commander General Kim Chong-il with a do-or-die spirit. The virtue of unity between officers and men and unity between party members and League of Socialist Working Youth of Korea members are being highly manifested, and the ideological will of cohesion and unity of the whole Army is being all the more firmly

consolidated based on revolutionary comradely love. The single-hearted unity of the whole Army centered on the respected and beloved Supreme Commander General Kim Chong-il is being strengthened in all directions. This is a clear proof of the justness of the ideology and theory that was presented in the work.

Another great ideological and practical significance of the work is to firmly prepare the People's Army militarily and technically by making all the officers and men be well versed in the chuche-motivated war method and modern military science and technology.

The might of the revolutionary Army is manifested in being firmly prepared not only politically and ideologically but also militarily and technically. The ones directly in charge of fighting directly with the enemies are the Army masses. However good weapons they possess, if the soldiers handling them are not prepared, they cannot be victorious in the battle. The decisive fight with the enemies is a confrontation between ideologies, as well as a confrontation of armed equipment and a confrontation of military war methods and temperament. If all the soldiers firmly arm themselves with the war methods, which is in accordance with the characteristics of their country's natural and geographical conditions and modern war, and smoothly fulfill their duty in any difficult and complicated combat circumstance, then they can easily smash the enemies' numerical and technical superiority.

In the work, the respected and beloved Supreme Commander Comrade Kim Chong-il elucidated on decisively enhancing all the soldiers' temperament of being well versed in the great leader's chuche war method and modern military science and technology in accordance with the characteristics and demand of a modern war, and on skillfully fulfilling their duties.

The chuche war-motivated war method created by the great leader and which is being endlessly developed and enriched by the respected and beloved Supreme Commander Comrade Kim Chong-il, is the most scientific and revolutionary war method and war method of our own style. In the past, it was possible for our revolutionary Armed Forces to defeat the Japanese imperialists and the U.S. imperialists, which took pride in numerical and technical superiority, because the anti-Japanese guerrilla members and officers and men of the People's Army were armed with the chuche-motivated war method and were firmly prepared militarily and technically, making it possible for them to skillfully fulfill their missions.

By having thoroughly embodied the ideology and theory presented in the work, today our People's Army is firmly prepared militarily and technically. Modern war

is a scientific and technological war. Our People's Army is equipped with modern weapons and combat material and technical equipment, and all the soldiers are experiencing the chuche-motivated war method and are well versed in their weapons. Under the slogan "Training is also combat!" the revolutionary training trait is thoroughly established throughout the whole Army. By doing so, all the soldiers are becoming fighters who are moving fast and who are prepared militarily and technically. We are possessed with a one-is-a-match-for-100 revolutionary Army equipped with both modern offensive means and defensive means. Therefore, however the imperialists threaten and blackmail us with modern weapons, we do not waver even the slightest.

Another theoretical and practical significance of the work is that it was possible for the commanding members of the People's Army to be firmly prepared politically and ideologically, as well as militarily and technically.

The commanding members are the backbone and core of the revolutionary Army. The Army's might and invincibility is importantly and greatly dependent on the role of its core backbone. When the commanding members are firmly prepared, the revolutionary Army can adhere to its characteristics and always be ever-victorious.

The party's leadership toward the People's Army is realized through the commanding members. Therefore, if the Army masses are to firmly unite around the party and leader through ideological will and moral integrity, and thoroughly implement the party's military line, the commanding members must most of all be loyal to the party and be prepared militarily and technically.

In the work, by making the commanding members of the People's Army be possessed with a revolutionary and people-oriented style of guidance, it emphasized the problem of preparing the commanding officers of the revolutionary Army. This becomes a lofty guideline in making it possible for the commanding members of the People's Army to fulfill their role in wholly strengthening the revolutionary Armed Forces and defending the party's cause.

Today, the commanding members of our People's Army are becoming true revolutionary fighters and capable commanders of the revolutionary Army, highly upholding the respected and beloved Supreme Commander General Kim Chong-il in the forefront. All the commanding members of our Army, including the anti-Japanese revolutionary fighters, are through and through firmly arming themselves with the party's chuche-oriented military ideology and theory, and think and act by regarding it as the single guideline. All the com-

manding officers go deeply into the Army masses and become their friendly revolutionary comrades and lead them warmly, and on this road they are fulfilling their role as commanding officers of the revolutionary Army.

The commanding officers of our Army are not only steadfast politically and ideologically, but are firmly prepared militarily and technically and also possess a revolutionary and people-oriented style of guidance. Because of this, the commanding members are carrying out the central role in military building. Our People's Army is strong and the party's cause is being firmly defended because of this core backbone that is endlessly loyal to the party and leader.

The ideology and theory presented in the great leader [yongdoja] Comrade Kim Chong-il's classic work "Let Us All the More Strengthen the People's Army Into Peerless Ranks," brought about great changes in military building and military activities, and this will continue to manifest great vitality in the future as well.

Our People's Army and people must deeply bear in their hearts the great honor and happiness of highly upholding the Supreme Commander General Kim Chong-il, a great genius of the military, and all the more fight unyieldingly.

Daily Marks Anniversary of Kim Chong-il's Work

*SK1505110395 Pyongyang KCNA in English
1022 GMT 15 May 95*

["To Live and Struggle Like Heroes Is Firm Guarantee for Greater Prosperity of Country and Motherland" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — NODONG SINMUN today carries an article by labour hero Pak In-yong, a general of the Korean People's Security Forces, on the lapse of seven years after the great leader Comrade Kim Chong-il published the famous work "Let Us All Live and Struggle Like Heroes" on May 15, 1988.

The work is a highly important one which indicates the way for the Korean people to carry forward the traditions of heroic struggle and continue effecting upsurge in the revolution and construction under the uplifted banner of revolution, the signed article says, and continues:

The great leader Comrade Kim Chong-il's famous work "Let Us All Live and Struggle Like Heroes" says that to live like a hero and to become a hero is the most valuable and worthwhile way of life and the highest honour for an independent man. In particular, the work stresses that our party wants everyone to become a hero,

and in our society everyone can become a hero. For this the work serves as a militant banner which powerfully encourages the Korean people and all the officers and men of the People's Army to a new struggle and a great achievement and as a great textbook of work and life for them to lead the most valuable and worthwhile life.

For all the people to live and struggle like heroes is a firm guarantee for greater prosperity of the country and the motherland.

The key to the greater prosperity of the country and the motherland is for everyone to live and struggle like heroes, rallied close around Comrade Kim Chong-il.

The officers and men of the people's security forces, true to the idea and intention of respected Supreme Commander Comrade Kim Chong-il on the heroic life and struggle, are effecting upsurge as never before in carrying out military tasks and building main objects.

Unshakable are the faith and resolution of the officers and men of the people's security forces to uphold the party with rifles and defend the socialist homeland by force of arms.

Comrade Kim Chong-il's famous work "Let Us All Live and Struggle Like Heroes" is a precious guideline the Korean people and the officers and men of the People's Army must always tackle as the maxim of their life and struggle.

The officers and men of the people's security forces will, in the future, too, live and struggle like heroes and make an active contribution to greater prosperity of the country and the motherland, upholding the guidance of Comrade Kim Chong-il.

Kim Chong-il Sends Gift to 100-Year-Old

*SK1705050195 Pyongyang KCNA in English
0441 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The great leader Comrade Kim Chong-il sent a centenary birthday table to old woman Han Yong-to residing in Haeun-tong No. 1, Pyongchon District, Pyongyang.

It was handed to her on May 16.

The benevolent birthday tables Comrade Kim Chong-il sends to ordinary old persons are associated with his warm love for the people. He feels happy when the people are joyful.

Kim Chong-il Extends Thanks for Gymnastic Display

*SK1705050295 Pyongyang KCNA in English
0445 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The great leader Comrade Kim Chong-il extended thanks to the participants and creative staff of the mass gymnastic display "The Great Leader of People", the Korean folk games, the evening of working youth in Pyongyang to celebrate May Day and the opening and closing ceremonies of the Pyongyang international sports and cultural festival for peace held in significant April.

The participants and creative staff of the mass gymnastic display "The Great Leader of People" performed on the birth anniversary of the great leader President Kim Il-song made contributions to showing on a grand epic canvas the exploits of President Kim Il-song and demonstrating the true looks of the country where all people dynamically are advancing toward accomplishment of socialism and the reunification of the country in singlehearted unity around Comrade Kim Chong-il, holding President Kim Il-song in high esteem forever.

The participants and creative staff of the Korean folk games, the evening of working youth in Pyongyang to celebrate May Day and the opening and closing ceremonies of the Pyongyang international sports and cultural festival for peace showed the might of the singlehearted unity of the Korean revolutionary rank and powerfully demonstrated the ardent desire of the Korean people and progressive humankind of the world to vigorously advance toward a new world under the idea of independence, peace and friendship.

Anniversary of Kim Chong-il Book on Youth Marked

*SK1605105095 Pyongyang KCNA in English
1022 GMT 16 May 95*

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — The 20 years since the publication of "On Some Tasks of the League of Socialist Working Youth [LSWY] at Present", a famous work of the great leader General Kim Chong-il, on May 16, 1975 are the days when we deeply grasped the greatness of his idea and leadership over the youth movement and when our youth and children have hardened the conviction and will to accomplish the revolutionary cause of chuche, united around him in one mind.

This was said by Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working

Youth of Korea, in an article contributed to NODONG SINMUN today.

The work indicated the questions of strengthening ideological education among youth and children, strengthening the guidance over the youth shock brigades and directing effort to the work with cadres of the LSWY and other questions which should be served as a guideline in the LSWY work.

Choe Yong-hae continued: The great significance and vitality of the work lie first of all in that the LSWY has directed primary efforts to ideological education among youth and children to firmly build up the league to be the loyal and devoted ranks united in one mind.

He quoted the great leader Comrade Kim Chong-il as saying:

"The important task facing the League of Socialist Working Youth is to conduct ideological education among youth and children well. This is the first duty of the LSWY. The LSWY organisations should tackle it as the main thing."

Choe further said:

The historical experience and lesson of the revolutionary struggle of the working class show that when youth and children are educated and firmly prepared in a revolutionary way, the lineage of the revolution is linked purely, and when not, the revolution undergoes turns and twists and its lineage is cut.

We have established a regular system of ideological education in the whole of the league, deepened education in revolutionary traditions, education in socialist patriotism and education in collectivism with the main stress on the education in loyalty to the party and the leader and thus, made all the youth and children cherish absolute worship for the great leader Comrade Kim Il-sung and the great leader Comrade Kim Chong-il.

All the youth and children have firmly armed themselves with the chuché idea of our party and deeply grasped the invincible vitality of our-style socialism centred on the popular masses.

The significance and vitality of the work lie also in that the LSWY has let the young people successfully play the role of vanguard and shock brigade in socialist economic construction through a powerful movement of youth shock brigades and made achievements in the work to enhance the responsibility and role of the LSWY officials.

Come what may, steadfast are the iron will and faith of 8 million youth and children to absolutely trust and follow the respected general as their affectionate father and become rifles and bombs to defend him with their lives.

shouting "Long live respected general Kim Chong-il!" from the bottom of their heart.

Youth's 'Great Achievements' Highlighted

SK1505110095 Pyongyang KCNA in English
1009 GMT 15 May 95

[**"Great Achievements Made by Young Builders"** — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — Young men and women of Korea have performed shining feats in different sectors of socialist economic construction in hearty response to the calls of the Central Committee of the Workers' Party of Korea published on the occasion of its 50th foundation anniversary.

Among them are members of the speed campaign youth shock brigade.

The shock brigade is a powerful construction group of young men and women.

The youth shock brigade members in charge of the electrification of the Hoeryong-Haksong railway section finished the first-stage project in less than a year; they set up thousands of electric poles in the 168 kilometre-long section, stretched electric and communication lines, lowered the bed of tunnels, and built transformer substations. They are now pushing ahead with the second-stage project.

Those undertaking the building of the Aeguk acupuncture and moxibustion research institute of the general hospital of Koryo medicine are accelerating the building of the institute with the total floor space of more than 14,000 square metres at the final stage.

The youth shock brigades have completed nearly 160 projects ever since its foundation in May 1975. They include the building of the Taehung youth mining general enterprise, the laying of northern railways and the construction of the dwelling houses for 50,000 families in Pyongyang.

When they were laying the 250 odd kilometre-long northern railways which took five years or more, the youth shock brigade members carried out such difficult and huge projects as the earth-scraping [as received] of more than 10 million cubic metres, the rock excavation of millions of cubic metres and the concrete tamping of above one million cubic metres to build 76 tunnels, 116 bridges, 42 railway stations and 817 structures.

They also made a great contribution to the building of Kwangbok Street, which was completed toward the end of the 80s, and many monumental edifices, the total floor

space of which is more than 5.5 million square metres, in Pyongyang.

In this process the youth shock brigade was given messages of congratulations and thanks from the great leader President Kim Il-song and the great leader Comrade Kim Chong-il on more than 10 occasions and the Kim Il-song Youth Honour Prize was awarded to 110 youth shock brigade members.

And some 20 labor heroes and more than 36,000 state order-bearers were produced.

Meeting Marks Founding of Youth Shock Brigade

SK1605051495 Pyongyang KCNA in English
0426 GMT 16 May 95

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — The Speed Campaign Youth Shock Brigade observed the 20th anniversary of its foundation.

The great leader Comrade Kim Chong-il founded the Speed Campaign Youth Shock Brigade, a powerful construction collective, on May 16, 1975.

The brigade is performing the role of vanguard in the socialist construction.

A meeting was held in Pyongyang on Monday to mark the 20th anniversary of its foundation.

Present there were Pak Song-chol, Politburo member of the Central Committee of the Workers' Party of Korea [WPK] and vice-president, other party and government cadres, and officials and members of the brigade.

The participants paid a silent tribute to the memory of the great leader President Kim Il-song.

A congratulatory message from the C.C. [Central Committee] of the WPK to the officials and members of the brigade was read at the meeting.

The message noted that they contributed to building the revolutionary battle sites and historical places as the bases for education in the revolutionary traditions and participated in the construction of important objects for consolidating the foundation of the self-supporting national economy, the international friendship exhibition and other monumental edifices, giving full play to their strength and wisdom.

The message highly praised the brigade for the proud deeds it did to carry into effect the plan and intention of the WPK for the socialist construction and the education of the youth over the past 20 years.

Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth [LSWY] of Korea, made a report at the meeting.

He said:

Respected General Kim Chong-il firmly believes in and shows off the young men and women as the members of the most vital unit of society, active performers of nature-remaking. He said that when they seethe with ardour the whole country would follow them and when they take charge of the construction, it would be splendidly carried out.

And the great general boldly entrusted main objects of construction to them and wisely led them to carry them out successfully, giving on-the-spot guidances.

The reporter noted that grand edifices built everywhere in the prosperous country are permeated with the fidelity and efforts of the members of the youth shock brigade boundlessly faithful to the great leader President Kim Il-song and respected General Kim Chong-il.

He called upon the members of the brigade to become the rifles and bombs to defend General Kim Chong-il with their lives by thoroughly keeping the vow which they made before the bier of President Kim Il-song and at the 8th congress of the LSWY, cherishing deep in mind the fact that they are blessed with great leaders generation after generation.

For the present, the members of the brigade should make a great contribution to greeting the 50th anniversaries of the foundation of the WPK and the liberation of the country as grand festival of victors by vigorously pushing ahead with all the objects of construction, he stressed.

A letter of pledge to the great leader Comrade Kim Chong-il was adopted at the meeting.

***Implementing Kim Il-song Teaching 'Sacred Duty'**
952C0112 Pyongyang NODONG SINMUN in Korean
10 Feb 95 p 2

[FBIS Translated Text] Today, as far as our people are concerned, they are holding high the teachings of the great leader Comrade Kim Il-song and, following the leadership of the Party, are struggling energetically for new victories. With regard to the teachings of the great leader, they are the sole guidance of all our Party's activities, and, departing from the leader's teachings, it is not possible to advance our revolution even one step or to correctly resolve any problems. The thorough and unconditional implementation of the great leader's teachings is the most sacred duty of our workers.

The great leader (yongdoja) Comrade Kim Chong-il has pointed out the following.

"The teachings of the great leader Comrade Kim Il-song are the sole guidance of all our Party's activities,

and, departing from the Leader's instruction, we cannot advance even one step nor is it possible to correctly resolve any problems."

Cadre are the core strength of our Party and the command personnel of revolution, directly organizing and leading the execution of the great leader's teachings. In the struggle to implement the dying teachings of the fatherly leader, as far as the presence or absence of results is concerned, how the workers, who are the command personnel of revolution, work depends on it.

Today, our people's ideological and mental attitude is really wonderful. With the purest of hearts, the holding high and supporting of the great leader Comrade Kim Il-song eternally, for a thousand years or ten thousand years, is our people's unmistakable intention. In order to implement the great leader's teachings, our people now are rising up like mountain peaks. The problem lies in how our workers are to conduct operations, organizations, and commands in keeping with the noble ideological and mental attitude and exalted zeal of the masses. When workers carry out properly and endlessly deepen works designed to implement the teachings of the great leader, it is possible to vigorously advance our revolution along the high road pointed out by the fatherly leader.

Intending to advance our revolution only in accordance with the teachings of the great leader is the adamant conviction of the great leader (yongdoja) Comrade Kim Chong-il. Today, the beloved Comrade Kim Chong-il is setting a course for thorough implementation of the great leader's teachings in all thoughts and activities. In this lie the great leader (yongdoja) Comrade Kim Chong-il's noblest loyalty and political, moral outlook that the standpoints and attitudes of the great leader's fighters and disciples must not change whether he was alive or passed away, and faithfulness to the leader should rise higher as the days and months change and the times go by. Upholding the sublime purpose of the great leader (yongdoja) and implementing unconditionally and to the end the teachings of the fatherly leader is the supremely sacred duty of the workers.

As far as the thorough implementation of the dying instructions of the great leader is concerned, it is a necessary first requirement for workers fulfilling their duty as the command personnel of revolution.

With regard to the way of workers fulfilling their role and responsibility as command personnel of revolution, it lies in studying the great leader's teachings comprehensively, with a broad and deep historical perspective, and in accurately grasping their essence and thoroughly and unconditionally implementing them. In a word, this is because of achieving a comprehensive synthesis of

chuche ideology, theory, and methods in the teachings of the fatherly leader, and a clear illucidation of all theoretical and practical problems presented in revolution and construction as well as of concrete methods for resolving them.

The Great Leader was an outstanding ideological theorist and leadership genius having extraordinary wisdom in ideological theory and outstanding leadership capabilities. In revolution and construction, our leader never failed to give intelligent explanations in terms of ideological theory concerning problems coming out of them. The great leader wisely guided all fields of activity extending to politics and economy, science and education, the military and literature and arts. In the teachings of the great leader, fully clarified are the guidances in all fields of revolution and construction beginning with party works, economic works, educational and cultural activities, as well as foreign activities and military activities. The great leader, even up to the last period of his life, convened the economics functionaries meetings and gave clear illucidations in concrete terms on tasks for different areas of people's economy and even execution measures and methods for the tasks. In truth, as far as the wise leadership of the great leader, having extraordinary wisdom in ideological theory and outstanding leadership capabilities, is concerned, there were no fields in revolution and construction which it did not reach. The wise guidance of the fatherly leader who clearly showed the road of advance ahead for our workers is hotly affecting the agriculture as well. Throughout his whole life, the great leader said that the problems of eating are more important than anything in the material lives of the people, and he took the ancient saying "Clothing, Food, and Shelter" and changed it into "Food, Clothing, and Shelter", personally becoming the commander of the agricultural front and clearly illucidating the road ahead for socialist rural construction. Beginning with "**For the Ultimate Solution of the Rural Question under the Banner of the Socialist Rural Thesis**", because the great leader announced many classic works and personally set up chuche agricultural methods, in tightly grasping and thoroughly implementing them, even greater increases in agricultural production can be made, and agriculture-first policy can be implemented. It is also possible to exalt without limit the superiority of Socialist farm village management systems.

With regard to the wise guidance of the great leader, who clearly illucidated the path of advance in revolution and construction, it is reaching without a gap not only all fields of social life but all areas of the country and all units as well. In the case of the life of the fatherly leader, it is possible to say that his was a life of on-the-spot guidance, endlessly seeking out the people. The fatherly

leader, who devoted an entire lifetime to the people and walked a path of enormous toil, even in the last period of his great life, continued endlessly on the path of seeking out the people and on the spot guidance. The fatherly leader, from the path of on the spot guidance, clearly illucidated the way of progress for all areas and units of the whole country.

Since the teachings of the great leader specifically show the militant tasks for all fields, areas, and units, and directions and methods on how workers ought to carry out the tasks, once studying them all, the workers, holding the valuable sword of omnipotence, can successfully solve all the rising problems and perform the original duty as commanding members of revolution.

The thorough implementation of the teachings of the fatherly leader is also an appropriate duty of our workers as the fighters and disciples of the great leader.

All our workers are revolutionary soldiers and disciples who grew up under the outstretched hand of the great leader. The fatherly leader gave a most noble political life to the fighters of our revolution and led them in its glorification. He was a lifelong benefactor who fed, clothed, looked after, and held up the fighters and was a loving parent. In the difficult days of the revolution against Japan, the great leader, in severe struggle, personally raised up the core key members who would shoulder our revolution, and, after liberation, even in such a difficult and complicated environment, managed, as a first stage, peoples cadre training bases including Mangyongdae Revolutionary Institute and Kim Il-song University. He raised workers, farmers, intellectuals, and their sons and daughters as the able workers of revolution and construction in his bosom of love. In truth, from the pioneering period of the Korean revolution to the last instant of the great life, the fatherly leader's devoted toil to nurture our revolutionary fighters and his love and benevolent affection bestowed on revolutionary fighters cannot be calculated by any means. The great leader's outstretched hands of gracious love and faith ardently permeate every footstep in the growth of all our workers. Our workers were all raised as command personnel of the party and revolution on the basis of the enormous political trust of the fatherly leader.

Repaying the love and faith of the leader with loyalty is the supreme morality and faithfulness for our workers who are fighters and disciples of the great leader.

The way for our workers, as fighters and disciples of the great leader, to fulfil to the end, for the fatherly leader, the loyalty and filial piety which could not be fulfilled is precisely to thoroughly implement the teachings of

the leader. Hereupon lies the path of realizing the oath sworn before the spirit of the departed great leader with shedding tears of blood as well as the path of living with value as true fighters and disciples of the leader. The title of leader's fighter can only be held by activists who consider a deep practical mastery of the leader's thought and implementation of the leader's teachings as requirements for life and who carry them out unconditionally. The great leader's fighters and disciples are workers who store away burning loyalty in their hearts even though they may not talk well and who regard living and working only according to teachings of great leader as moral principles of life and standard of action that cannot be violated and keep them voluntarily — workers who always think about what, in the teachings of the great leader on their own fields, their own areas, and their own units, has already been carried out and what is to be carried out in the future, who strive vigorously in order to implement the leader's teachings as fast as possible.

The thorough implementation of the great leader's teachings is also an important requirement for our workers' becoming faithful servants of the people.

The beloved and respected Comrade Kim Chong-il desires guidance workers to do a good part of the work for the nation and the people as true faithful servants of the people. The desire to foster all our cadre as true faithful servants of the people, working devotedly for the people, is the great leader (yongdoja) Comrade Kim Chong-il's sublime aim.

Today, working faithfully for the people in our country is nothing but doing Socialist construction well, highly exalting the superiority of our style of socialism centered on popular masses, and strengthening and enriching even more my country and my fatherland.

With regard to the effective struggle of workers to glorify my country and my fatherland, the path of fulfilling the mission and role associated with being faithful servants of the people lies in thoroughly implementing the teachings of the great leader. Making my country and my fatherland richer and stronger was the intent and the great work of the great leader. In the teachings of the fatherly leader, the conception of fatherland construction is comprehensively synthesized, and the militant tasks before all fields, areas, and units to realize the conception are illucidated. Not only this, but, there, the ideological and mental attitude and basic qualities which all workers must have as faithful servants of the people as well as the way to do the work are clearly illucidated. When workers hold high the teachings of the great leader, firmly establish revolutionary work methods and popular styles of work which embody the mass

line and responsibly carry out revolutionary tasks before them, my country, my socialist fatherland where lives the august Kim Il-song nation will become even wealthier and stronger and will become the paradise of a people living well. In addition, our workers, in the love and respect of the people, will be blessed with valuable lives.

As far as our actual situation today is concerned, in effective struggles for the thorough implementation of the great leader's teachings, it is required that all workers exert even more strenuous efforts. All workers, in consonance with our revolutionary requirements and the expectations of the people, must carry out in an even more excellent way their sacred duties in the holy struggle to implement the teachings of the fatherly leader.

[Signed] Pak Nam-jin

Kim Il-song's Works Studied Throughout World

*SK1605050495 Pyongyang KCNA in English
0418 GMT 16 May 95*

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — Famous works of the great leader President Kim Il-song were studied in different countries.

A seminar on his work "On the Three Principles of National Reunification" was held in New Delhi, India.

Speakers said that his excellency the great leader Kim Il-song was a great man peerless in human history and a benefactor of liberation who saved the humankind of the 20th century.

They noted that President Kim Il-song conducted energetical activities till the last moment of his life for national reunification, his supreme desire in his lifetime.

They stressed that the sacred life of President Kim Il-song who devoted his whole life to the motherland and the people, regarding "believing in the people as in heaven" as his motto, would shine forever in the hearts of the world people.

Seminars on this work were also sponsored by the group for the study of the chuche idea of Dar-es-Salaam Technical College of Tanzania and the centre for the Study of the Chuche Philosophy in Harare, Zimbabwe.

A seminar on his work "The Ten-point Programme of the Association for the Restoration of the Fatherland" was held by the Indian Society for the Study of Works of Kim Chong-il and a lecture on the work given at the Cultural Centre Cairo, Egypt.

The Ukrainian Society for the Study of the Chuche Idea gave a lecture on the work "10-point Programme on the

Great Unity of the Whole Nation for the Reunification of the Country" at Kiev University.

'Fundamental Principle' of WPK Activity Viewed

*SK1405104595 Pyongyang KCNA in English
0824 GMT 14 May 95*

["NODONG SINMUN on Fundamental Principle of WPK Activity " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — NODONG SINMUN today comes out with a by-lined article titled "It Is Fundamental Principle of Our Party's Activity To Combine Party Leadership With Revolutionary Mass Line."

The article says:

The great leader Comrade Kim Chong-il in his famous work "Socialism Is a Science" defined the benevolent politics as an essential feature of politics in socialist society and put forward an idea to combine the party leadership with the revolutionary mass line in order to carry it out.

Comrade Kim Chong-il has said:

"We raised it as the fundamental principle of party activity to combine the party's leadership with the revolutionary mass line and have made every effort to realize the party's leadership to meet the wishes and will of the masses and to encourage the masses to support the party's leadership with all their hearts."

"We serve the people!" is the slogan put up by Comrade Kim Chong-il to realize the party's leadership in proper combination with the revolutionary mass line.

Our party has always proceeded from the position of thoroughly defending the people's interests and has subordinated everything to this in the whole process of formulating and carrying out its lines and policies. Our party has positively educated its officials to adhere to the definite view that they are servants of the people and to devote everything to their interests.

Our party always regards the people as teacher and finds itself among the masses, lending an ear to their voices and works out lines and policies reflecting the demand and interests of the working masses.

Our party always gives full play to the revolutionary enthusiasm and creative ingenuity of the masses by giving priority to political work at all times in implementing the party's policies.

It is the steadfast stand of Comrade Kim Chong-il that there is no other master-stroke for propelling the

revolution and construction than giving precedence to political work to enhance the role of the masses.

And it is the noble intention of Comrade Kim Chong-il that cadres must first think of the people before themselves and regard the pleasure and pain of the people as their own.

Under the leadership of our party today our officials are now faithfully serving the people, upholding the party's slogan "We serve the people!"

Therefore, the leadership of the party and the revolutionary mass line are being closely combined with each other and the people's support for and trust in the party are being deepened still further.

***Editorial: Strengthen Party Organizational Work**

952C0103A Pyongyang NODONG SINMUN
in Korean 20 Jan 95 p 1

[Editorial: "Enhance the Role of Party Organizations Further in the Struggle for the March of the New Year"]

[FBIS Translated Text] Today our whole country is seething with struggles to make this year—which marks the 50th anniversary of the founding of the party—a brilliant, triumphant year. If we are to accelerate our 1995 march and effect new upsurges in socialist construction uninterruptedly, we must further enhance the role of party organizations.

The great helmsman Comrade Kim Chong-il pointed out as follows:

"Holding high the revolutionary banner of the chuche ideology, we must further enhance the militant functions and role of party organizations, thereby bringing about new upsurges in all sectors of the revolution and construction."

Party organizations are the staff headquarters of the respective units. Only by enhancing their militant functions and role is it possible to bring the broad masses into close unity around the party and the leader and to spur them on to a show of revolutionary fervor and creative positiveness, and to a vigorously accelerated pace in the revolution and construction.

To augment the combat strength of party organizations is a major requirement in ensuring victories in this year's battle.

This is a hopeful year that will adorn the annals of the revolutionary cause of chuche with brilliant feats and victories. Our party and people this year, upholding the leadership of the great helmsman Comrade Kim Chong-il, must achieve a decisive turnaround in the struggle to carry forward the socialist cause and bring it to fruition.

To that end, we must beef up the combat strength of party organizations extraordinarily more than ever in every sector of socialist construction.

In socialist construction, its powerful driving force lies in the high revolutionary fervor and creative positiveness of the masses, and how to bring them into full play largely rests with party organizations. Only when party organizations, the political staff headquarters of the respective units, move vigorously is it possible to spur the masses on to a positive display of infinite fidelity and devotion to the party and the revolution, and to successfully carry out party leadership for the revolution and construction. In respect to the task of implementing the revolutionary economic strategies of the party thoroughly or that of enhancing the role of the county to improve the people's living standards, the outcome will after all be determined by how energetically party organizations do conduct their organizational political work.

Extremely high is the fervor of the masses of people who have vigorously launched into the 1995 battle. The question is how party organizations will lead them to victory in this battle.

This year's struggle is a rewarding struggle to demonstrate powerfully the invincible might of our party and people who are united in one mind around the great helmsman Comrade Kim Chong-il. It is the most honorable and sacred struggle for making a decisive breakthrough in the fulfillment of the cause of our way of socialism.

Party organizations of all levels should be fully aware of the importance of their position and duty in this year's battle and further enhance their role in the march of the new year.

Most important in this regard is to strengthen organizational political work urging all party members and working people to vigorously step up the march with absolute worship for and infinite loyalty to the great helmsman Comrade Kim Chong-il.

As it is with all other work, the key to victory in the 1995 battle lies in how ideologically prepared our party members and working people are in grappling with their tasks in the battle. When all the people accelerate the march with an extraordinary resolution, high loyalist enthusiasm, and confidence that nothing is impossible when they go forward under the leadership of the great helmsman Comrade Kim Chong-il, they can perform new miracles and feats.

This year is a year of great significance marking the 50th anniversary of the founding of our party and the liberation of our fatherland. It is imperative that all party

organizations ensure that party members and working people launch into the march of the new year thoroughly with the awareness that the struggle to make 1995 a dazzling, triumphant year is an honorable, rewarding undertaking to add luster to the immortal achievements of the great leader, the founder of our party and the benefactor of liberation of our nation, and to powerfully demonstrate the greatness of the ideology and leadership of the respected and beloved Comrade Kim Chong-il. They must, especially, make all party members and working people fully understand the greatness of the ideological theories of the great helmsman Comrade Kim Chong-il, the sagacity of his leadership and the greatness of his character, thereby bringing them to have absolute worship of Comrade Kim Chong-il and have it engraved on their hearts, and thoroughly implement party decisions and directives unconditionally.

Monolithic unity is a decisive guarantee for victory in the 1995 battle.

Party organizations must strengthen ideological indoctrination work to ensure that party members and working people arm themselves firmly with the ideological theories of the great helmsman Comrade Kim Chong-il, and that they think and act in accordance with them. Thus, they will see to it that all the people unite closely around the great helmsman in one mind and will, and launch unanimously into the struggle to make our country, our fatherland, richer and stronger.

Party organizations must conduct their organizational political work aggressively to ensure that all the people generate large, revolutionary upsurges on all fronts of socialist construction, holding aloft the slogan "Mark the 50th anniversary of the founding of the Workers Party of Korea with high political fervor and brilliant labor achievements!"

In spurring party members and working people on to the march of the new year dynamically, it is important to see that they have in-depth understanding of the basic spirit of the joint editorial published in NODONG SINMUN. The joint editorial reflects the lofty intent of the great helmsman Comrade Kim Chong-il to carry on and bring to fruition the great cause of our way of socialism centering on the masses of people, holding up highly the teachings left by the respected and beloved leader. Party organizations of all levels must see to it that all party members and working people study the joint editorial in depth and fully display their deep loyalty and mass heroism in the struggle for new victories and successes.

Also important in enhancing the role of party organizations, is to strengthen party guidance and make sure that economic organizational work is done creditably, so as

to ensure the implementation of the party's revolutionary economic strategies.

Confronting us today is the heavy, honorable task to thoroughly carry through the revolutionary economic strategies in compliance with the decision of the 21st plenum of the sixth party Central Committee, making new changes in the people's livelihood and socialist construction. It is our party's immutable resolve to carry through the revolutionary economic strategies and make epochal improvements in the people's livelihood. With primary emphasis on the implementation of the party's revolutionary economic strategies this year, all party organizations should strengthen party guidance to ensure that all economic programs progress as they should. Party organizations should constantly intensify party guidance and see that administrative economic organizations of all levels and their functionaries continue to give top priority to the development of agriculture, of light industry, and to foreign trade in accordance with the intent of the party, and that revolutionary upsurges take place in the preceding sectors of the people's economy and in the metal industry sector.

Party guidance for the revolution and construction is essentially political guidance and policy guidance. Party organizations should provide proper guidance and leadership for economic guiding functionaries to help them establish clear-cut targets and tasks in the carrying-through of the party's revolutionary, economic strategies this year and fulfill them for each month and each quarter without fail. Especially, economic, guiding functionaries, holding fast to the Taean work system, should coordinate economic, organizational work ever more closely to meet the realistic requirements emerging, as the struggle to carry through the party's revolutionary, economic strategies gets momentum. And they should bring the masses to perform new miracles and feats by the method of leading by personal example.

In improving the people's livelihood by thoroughly carrying through the party's revolutionary economic strategies, it is very important to enhance the role of the county. Party organizations of all levels will put major efforts into strengthening the county as the consolidated unit of local economic development and the regional base, in accordance with the intent of the party, and especially into enhancing the role of the county party committee, which is responsible for the county housekeeping and the residents' livelihood. All the county party committees and their functionaries should strengthen party guidance to make sure that all learn from the examples of the functionaries of the Chonchon County Commercial Office and Maengsan County, utilize effectively locally available raw materials and other materials and do the county housekeeping well, thereby positively con-

tributing to carrying through the party's revolutionary economic strategies and improving the people's livelihood.

An important duty of party organizations in accelerating the 1995 march is to ensure that the revolutionary spirit of self-reliance and fortitude is given full play on all fronts of socialist construction.

The revolutionary spirit of self-reliance and fortitude is a traditional fighting spirit unique to our people. It is a powerful weapon for victory in this year's battle. Today, when imperialists and reactionaries are insidiously maneuvering to isolate and stifle our way of socialism, self-reliance is the only way for us to defend the sovereignty and dignity of the country and the people and build a rich and strong fatherland.

Party organizations should bring it home to party members and working people that the important key to victory in the 1995 battle lies in giving full play to the revolutionary spirit of self-reliance and fortitude and, by doing so, see to it that revolutionary spirit reigns firmly in every workplace. Party organizations should actively seek out and disseminate fine models of self-reliance among the masses, ensuring that all party members and working people overcome any bottlenecks or barriers in their way by their own efforts and accomplish their revolutionary tasks thoroughly and unconditionally.

Party organizations should also strengthen their guidance for the party life of party members and for the activities of mass organizations, and push mass movements vigorously.

Organizational life in the party is a blast furnace for the training in party spirit. It is a school for revolutionary education. Only through strengthened organizational life can party members develop high party spirit, revolutionary ethos, and people-mindedness, and successfully fulfill the tasks assigned them this year.

Party organizations should plan their guidance for the party life of cadres and party members with the greatest possible care in accordance with the demands of the developing realities, thoroughly combining the party life and the fulfillment of revolutionary tasks and thereby ensuring that they acquit themselves fully of their role as the core and spearhead. Especially, this year too, party organizations should carry on programs to revolutionize functionaries and, by doing so, help them fulfill their honorable mission as command staff members of the revolution and true servants of the people in a creditable manner.

Working people's organizations are mass, political organizations that bring the broad masses into close unity around the party and the leader and organize and mo-

bilize them into struggles to accomplish revolutionary tasks set forth by the party. Party organizations must strengthen party guidance toward mass organizations to ensure that they energetically spur the broad masses on to the march of this year and play a major role in effecting collective innovations in socialist construction. At the same time, by strengthening their party guidance for mass movements, including the Movement to Win the Red Flag of the Three Revolutions, uninterruptedly, they will further accelerate the three revolutions—ideological, technological, and cultural—and see that new miracles and innovations take place in all sectors of socialist construction this year.

Need To Strengthen Class Indoctrination Noted

*SK1705110395 Pyongyang MINJU CHOSON
in Korean 1 Apr 95 p 2*

[By Han Song-il]

[FBIS Translated Text] Amid the solemn circumstances under which all the people across the country are vigorously accelerating the general march to glorify this year as the most significant year in the history of our fatherland by upholding the party's calls today, we significantly greet the 40th anniversary of the publication of the respected and beloved leader Kim Il-song's immortal classic work, "On Further Strengthening Class Indoctrination Work Among Party Members."

In his classic work, "On Further Strengthening Class Indoctrination Work Among Party Members," the respected and beloved leader Comrade Kim Il-song explicated the character of our revolution and the basic mission of our party and, based on them, extensively elucidated the need and task of strengthening class indoctrination work and the method of implementing the work in conformity with the demands of the developing revolution.

The classic work is the programmatic guideline which should be firmly grasped and adhered to in arming party members and working people with the working class' class consciousness, in struggling against imperialism and the exploiting class, and in preparing the party members and the working people to become indomitable fighters who struggle for the interests of the party and the revolution, devoting their all.

The correctness and vitality of the ideology expounded in the classic work have been fully demonstrated in the practical struggle for our socialist construction for the past 40 years.

Our people successfully carried out the revolutionary tasks in various stages by trusting and following only the party and the leader without the slightest degree

of trepidation and by creating miracles and exploits which amazed the people of the world even under the exceptionally difficult and complicated circumstances in which they had to build socialism, fighting their way through the storm of modern history and assuming double- and triple-heavy burdens. Thus, they have become the heroic people who have outstandingly built a powerful socialist state enjoying independence, self-reliance, and self-defense on this land today. Also, the generation of socialism has been firmly carried on and our own style of socialism has been firmly safeguarded and defended even today when the antisocialist maneuvers by the imperialists and reactionaries have been unprecedentedly strengthened.

All of this is because our party has consistently grasped and constantly deepened class indoctrination work among all functionaries and the working people in the entire course of socialist construction so they can have a lofty class consciousness.

Today's realities, in which the revolution is constantly developing and a fierce struggle to determine socialism or capitalism is being waged in the world, demand that class indoctrination work be strengthened more firmly than ever before so all members of the society can further enhance their class consciousness.

The great leader Comrade Kim Il-song has taught: "We should educate party members and the working people to lead them to be loyal to the working class' revolutionary cause with a working class viewpoint, to hate imperialism and the exploiting class, and to resolutely struggle against them to the end."

Class indoctrination is, in essence, an ideological indoctrination work to firmly arm people with the working class' class consciousness. A superclass ideology cannot exist in the class society. Accordingly, the basis in people's ideological consciousness is class consciousness. The working class' class consciousness is precisely the resolute revolutionary spirit of constantly hating all sorts of class enemies, including imperialism; fighting against them in an uncompromising manner; and devotedly struggling for the interests of the masses of working people.

Such a revolutionary spirit is the noble revolutionary spirit which the people, who have risen up in the struggle for socialism, must cherish in their hearts. Functionaries and the working people cannot only carry out an uncompromising struggle against imperialists, reactionaries, and the exploiting system with firm faith in and attachment to socialism, but also maintain their working class position and principle and rise up in the struggle to defend socialism, devoting their lives

under any difficult circumstances only when they arm themselves with strong class consciousness.

Arming ourselves with strong class consciousness is the important demand to safeguard and defend socialism of our own style.

For functionaries and the working people to arm themselves with strong class consciousness is the important demand in safeguarding and defending socialism of our own style, which is primary because class consciousness becomes a guarantee to strengthen the main force of our revolution and to enhance its role.

The main force of the revolution is the united body of the leader, the party, and the masses. The socialist cause is victorious and advances according to the active function and role by the main force of the revolution. There is nothing more important than strengthening the main force of the revolution in the accomplishment of the revolutionary cause, and the basic key to victory in the revolution depends on how to strengthen the main force of the revolution.

The might of chuche lies in the unity and cohesion based on one ideology and one center; and it will have the greatest solidarity and vitality when the leader, the party, and the masses are in perfect harmony. What is important in strengthening the main forces of revolution is the fact that all members of society should arm themselves firmly with the ideology of the leader, the supreme brain of the sociopolitical body. When one is armed with the leader's revolutionary ideology, one can remarkably strengthen the main forces of revolution by imbuing the revolutionary ranks with one ideology. A high sense of class consciousness, the class consciousness of the working class, plays an important part in arming the people with the leader's revolutionary ideology. The class consciousness of the working class constitutes the core of the independent revolutionary ideology. The work to enhance class consciousness helps all members of society have class awareness and helps them further enhance their general level of consciousness, while helping them regard the leader's revolutionary ideology — which most correctly reflects class-oriented interests and aspirations — as their own flesh and bone and as the only guiding principle, while helping them have a firm standpoint and viewpoint that they do not know any ideology other than the leader's ideology. Therefore, this work helps turn the whole society into a powerful sociopolitical body in which its members breathe and act as one, and all members of society rise in the struggle to defend and safeguard our-style socialism in firm unity with one ideological will. Without the people's high sense of class consciousness, it is impossible to think of the

popular masses' boundless creativity and indomitable fighting spirit, which are displayed in the rewarding struggle to win victory in the socialist cause.

To arm oneself firmly with a high sense of class consciousness is an important demand to defend and safeguard our-style socialism. This is also because to do so is a guarantee of firmly maintaining the socialist principle.

To consistently maintain the socialist principle is an important question related to the fate of the socialist cause. The socialist cause is distinguished from other social movements because of its revolutionary principle; and the socialist cause is pioneering its own future road on the basis of the justness and vitality of its own principle. In the struggle as to whether one should choose socialism or capitalism, if one gives up the socialist principle, one cannot defend the socialist system, nor can one smoothly realize the popular masses' independent demands and wishes.

The socialist principle is not adhered to by itself. This is determined by the intensity of the conviction and will of the popular masses, which are the main forces of the socialist cause; and the people can possess the indomitable conviction and will when they are armed with a high sense of class consciousness. This is because the people's will and fighting power are based upon their sense of class consciousness. Therefore, when they have a high sense of class consciousness, functionaries and workers can devote all they have to the struggle to realize the popular masses' independent demands and interests with the firm working class-oriented viewpoint and standpoint; and they can resolutely struggle in opposition to any slight phenomenon that runs counter to this. If people are not firmly armed with a sense of class consciousness, they will forget the value of the youthful days their parents had spent and what kind of life the previous generations had lived, while regarding their happy life of today as a matter of course. Therefore, they would gradually have a lessened sense of class consciousness; they would not be able to correctly tell friend from foe; and they would even forget their class-oriented duty. Then, they would not be able to correctly understand the fact that the revolutionary gains and their rewarding and happy life, which have been realized in the fatherland, have been achieved at the high price of blood; nor would they be able to take a resolute standpoint and attitude in the revolutionary struggle; nor would they be able to embody the socialist principle on a consistent basis. The lesson of history shows that if the popular masses cannot arm themselves firmly with a sense of class consciousness, they will dance to the tune of others without any conviction in socialism, and later they

will not be able to defend the socialist principle to the end in the presence of the knavish maneuvers of the imperialists and reactionaries. When all members of the society are armed firmly with a high sense of class consciousness, our-style socialism can be firmly defended under all circumstances.

To arm oneself firmly with a sense of class consciousness is an important demand to defend and safeguard our-style socialism. This is also because to do so is a guarantee to thoroughly smash the anti-socialist maneuvers by the imperialists and reactionaries.

The socialist cause is a difficult and complicated work to beat an untrdden path; and it is accompanied by a fierce struggle of opposing all kinds of class enemies, including imperialists. The struggle for the sake of socialism is really the most acute class struggle; and the victory in such a struggle will be achieved through a struggle to smash the anti-socialist maneuvers by the imperialists.

Invasion and plunder are the intrinsic nature of imperialists and such things are the imperialists' way to survive. If there was an imperialism that was not invasion-oriented, then such an imperialism is not imperialism. The invasion-oriented, plunder-motivated intrinsic nature of imperialism can never change, so long as its socioeconomic basis does not change. Today, the imperialists and reactionaries are more uproariously clamoring about "the end of the Cold-War era" and "the coming of peacetime," while taking advantage of the fact that socialism has been frustrated in, and capitalism has returned to, some countries. They are turning the spearhead of their "antisocialist strategy" to our country for the purpose of bringing down our-style socialism, which is serving as the beacon of hope for the world's revolutionary people aspiring to independence, while giving forth the bright light to the whole world from a corner of the East. The imperialists and all kinds of reactionaries are more viciously applying their political and military pressure upon our country and are carrying out their maneuvers to launch economic blockade against our country. In the meanwhile, they are cunningly scheming to dampen our people's conviction in socialism by launching ideological and cultural infiltrations. Under the circumstances in which the imperialists are watching for an opportunity for an invasion while regarding our-style socialism as a thorn in the flesh, it is particularly important for all members of the society to arm themselves with a sense of class consciousness. Functionaries and workers should harbor the fundamental perception that only when they are armed with a high sense of class consciousness will imperialism surely be ruined and will socialism surely win victory. On the basis of such a perception, functionaries and workers can

thoroughly reject any slight illusion toward the imperialists and cope with the enemies' aggressive maneuvers in an alert way with a high vigilance against such maneuvers, while harboring the unflinching conviction that only our-style socialism, which has embodied the chuche idea, is the best, no matter how severe the imperialists' antisocialist maneuvers become and no matter how rapidly the situation surrounding us changes. They can have the whole society overflow with the revolutionary spirit with which to work and live in a militant way in a keyed-up attitude and in a mobilized posture; and they can boldly rise in the work to more firmly fortify our revolutionary position of socialism from the enemies' encroachment. Therefore, they can resolutely smash the antirevolutionary offensives by the imperialists and all kinds of reactionaries with revolutionary offensives; and determinedly defend and safeguard our-style socialism.

Our party has always put forth as a consistent policy, and has thoroughly accomplished, the question of arming all members of the society with a high sense of class consciousness at each stage of our developing revolution. Today, due to the wise leadership [yongdo] of the party, our revolutionary ranks have been strengthened into a combat unit of single-hearted loyalty and filial piety, a combat unit that is imbued only with the chuche idea, the working class' revolutionary view of the world; and our revolution is triumphantly marching toward a bright future while boldly cutting through the difficulties and hardships facing our revolution. The history of the struggle of our revolution corroborates that when the popular masses are firmly armed with a high sense of class consciousness, they can defend and safeguard our-style socialism, while displaying the dignity and might of the fatherland in firm unity around the party and the leader under all circumstances.

All functionaries and workers should arm themselves more firmly with a sense of class consciousness in conformity with the party's intentions, thereby defending and safeguarding and glorifying to the end our-style socialism that has been established by our people's own strength in conformity with our people's conviction.

New Mineral, Metal Deposits Discovered

*SK1505231995 Pyongyang KCNA in English
1506 GMT 15 May 95*

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — The geological prospectors in Korea are greeting their holiday (May 15) with big achievements in labour.

Chu Kil-chun, deputy director of the bureau for underground resources survey of the Ministry for Natural Resources Development, said the working people in this

domain found deposits of high-quality minerals over the last year.

The prospecting corps in various areas of the country continue striking coal and mineral veins which are rich in deposit and good for development.

The prospecting management bureaus of North and South Pyongan and North Hamgyong Provinces fixed deposits of rare earth, zirconium, gypsum and strontium as new targets for development and are continuing surveys in the areas.

Proposed sites for development of gold mines were chosen in Yanggang and Chagang Provinces in the northern part of the country and many gold deposits were confirmed.

Promising coal fields were also discovered.

Other prospecting corps throughout the country also stroke many underground resources.

Rice Transplantation Begins in Countryside

*SK1505052895 Pyongyang KCNA in English
0519 GMT 15 May 95*

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — Rice transplantation began in the countryside of Korea.

Agricultural working people grew strong rice seedlings through careful sowing and management of rice-seedling beds despite the continued unfavorable spring weather. They are concentrating all efforts on finishing rice transplantation in a short span of time.

The rural communities, including historic Chongsan-ri, Nampo Municipality, and Wonhwa-ri, Pyongwon County, fulfill their daily assignments from the first day of rice transplantation.

Irrigation control offices properly organise the supply of enough water to the cooperative farms so that the vitality of irrigation can be displayed to the full.

Pukchang Power Plant Increases Production

*SK1505084095 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 14 May 95*

[FBIS Translated Text] The electricity generating workers of the Pukchang thermoelectric power complex are achieving upsurges in production.

Nowadays, the electricity generating workers there, who are full of burning determination to glorify this meaningful year marking the 50th anniversary of the party's founding with successes in generating more

electricity, every day generate 2 million kWh more electricity than the corresponding period of the previous month.

In particular, the electricity generating workers at No. 1 workshop are generating far more electricity than daily goals by operating each generator at full capacity.

The electricity generating workers at No. 4 workshop, too, are attaining highly targeted daily plans without fail by accepting a rational work method, while taking meticulous care of the equipment and technology.

Paechon Power Station Increases Production

SK150501995 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 13 May 95

[FBIS Translated Text] Electric power producers at the Paechon Hydroelectric Power General Complex, who have unanimously risen up to glorify the 50th anniversary of the party's founding with high electricity production, are maintaining high and steady production at 105 percent daily.

Workers at the No. 1 generating workshop are increasing electric power production by properly planning and coordinating facility management and technological management as well as by operating facilities at full capacity.

Workers at the No. 2 generation workshop are also increasing electric power production by accelerating production with the burning spirit of upholding our party with success in electric power production.

Increasing Number of Centenarians in North Noted

SK1705002695 *Pyongyang KCNA in English*
2212 GMT 16 May 95

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — The number of the long-lived people is increasing in Korea.

The people above 90 grew five times in the recent ten years alone.

The centenarians nearly trebled the 1971 figure in 1993. Korea owes the increasing number of the long livers to the brilliant embodiment of the great leader Comrade Kim Chong-il's noble idea of affection for the people and the best popular health policy of the government of the Democratic People's Republic of Korea.

A story about Comrade Kim Chong-il, who set up a research institute for the health of the population of a small rural village, is being told as a legend of love for man.

One day Comrade Kim Chong-il was told by an official, who had visited Unchon County, South Hwanghae Province, that some residents of a village in the county were suffering from a disease, when he took appropriate measures without delay.

He took care that the village was transferred to another eligible place and high-quality spring water 6 kilometres away from the village could be supplied to the villagers. Later, he saw to it that a research institute with competent genealogists was set up only for the health of the inhabitants.

As a result, the Unchon section under the Academy of Medical Science of the National Academy of Sciences made its appearance in Unchon County. The section is well furnished with modern equipment, sick-rooms and an operation room for the health of the villagers.

Therefore, the village has turned into a place good to live in, where all the people enjoy longevity in good health.

The universal free medical service and the section doctor system established in Korea long ago constitute an important factor in guaranteeing longevity in good health.

In particular, hospitals attached to the universities of medicine in provinces have a geriatric department the mission of which is to register the long-livers in all parts of the country and check them up. Those registered are looked after at the central hospitals, regardless of their residential quarters.

A huge amount of state fund is allocated for their health.

The long-lived families and villages are increasing in number as the days go by.

South Korea

'Nothing Can Be Expected' From U.S.-North Talks

SK1705075495 *Seoul CHOSON ILBO in Korean*
17 May 95 p 3

[Editorial: "Now, What is 'Semi-High-Level'"]

[FBIS Translated Text] "The Kuomintang imposes high taxes while the Communist Party holds many conferences." This complaint was uttered by residents who were mobilized to meetings day and night after the Chinese mainland was communized. It is a well-known fact that the communist regime wasted many days by holding meetings of little substance.

One can ascertain the Communist Party's preference for meetings from North Korea's attempts to merely hold successive meetings with the United States. It was

learned that the United States and North Korea, which sought to hold high-level talks after the abrogation of light-water reactor talks in Geneva on 21 April, have agreed to hold semi-high-level talks in Kuala Lumpur, the capital of Malaysia. We cannot help but say that this is indeed a far-fetched idea and that nothing can be expected from this meeting.

It is likely that North Korea agreed to designate Kuala Lumpur as the venue for talks because it was displeased with China's warm welcome of ROK Prime Minister Yi Hong-ku, thus wishing to avoid Beijing, and because Malaysian Prime Minister Mahathir is in discord with the United States over the idea of an East Asian economic council.

Conclusion of an agreement on the provision of light-water reactors was part of the agreement of U.S.-North Korean high-level talks. It is hard to understand what can be done at semi-high-level talks after the sides abrogated the talks that were aimed at concluding the reactor provision agreement itself. We are concerned with the possibility of merely producing another meeting.

On numerous occasions we have witnessed tactics by North Korea to merely generate successive meetings without efforts to bring about any results in North-South relations.

North-South relations would have been resolved through the 4 July North-South joint statement and the North-South agreement if North Korea had had sincerity and will. However, North Korea, ignoring practical efforts to resolve problems, claimed that "detailed articles should be provided," "working-level talks should be held," and the like. In this course, North Korea broke even the basic agreement with preposterous assertions.

If North Korea really wants to obtain light-water reactors and to improve relations with the United States, its wish can be met sufficiently with the sincere implementation of the Geneva framework agreement. If political problems develop, they can be adjusted according to each issue and plan. The light-water reactor issue can be easily resolved only if North Korea implements the matter in consultation with the ROK, the side that will actually offer the reactors.

If semi-high-level talks are held without North Korea doing this, the talks will only result in the need to hold another round of high-level talks and working-level talks. In addition, the talks will only diminish the feasibility of provision of light-water reactors and improvement in U.S.-North Korean relations.

The United States should come to the semi-high-level talks only after realizing such habitual behavior by North Korea. It would be a waste of time for our

government to be sensitive about the agenda of the semi-high-level talks, because the talks have no prospects.

Lawmakers on Talks With U.S. Trade Officials

SK1605114495 Seoul TONG-A ILBO in Korean
16 May 95 p 3

[FBIS Translated Text] On 15 May the Democratic Liberal Party [DLP] pointed out that it urgently needed to take relevant countermeasures against the growing dissatisfaction in U.S. public opinion against the ROK's market opening process. The party, therefore, decided to urge the government to work out relevant countermeasures.

DLP National Assemblymen, such as Kum Chin-ho, Son Hak-kyu, and Ku Chang-pon, who are members of the National Assembly "ROK-U.S. Parliamentarian Consultative Council on Science, Technology, and Trade," visited the United States from 8 to 10 May. During their stay, they met with U.S. political and government officials. On the basis of their meetings with those U.S. officials, the DLP lawmakers judged that the United States would continue to apply pressure for the ROK to open its markets. They reported this to the DLP leadership, including Chairman Yi Chun-ku.

Son and the other National Assemblymen contacted seven U.S. senators and members of the House of Representatives and administration officials, such as Joan Sparrow [name as transliterated], U.S. undersecretary of state for Economic and Agricultural affairs; Winston Lord, assistant secretary of state for East Asian and Pacific affairs; Jeffrey Sheffer [name as transliterated], assistant secretary of the Treasury; and Charles Vashevsky [name as transliterated], deputy U.S. Trade Representative [USTR].

The officials concerned at the USTR strongly requested that the ROK revise, within this year, the laws and regulations related to intellectual property rights such as the Patent Law, the Law on Trademarks, and the Law on the Protection of Computer Software, in conformity with the regulations on intellectual property rights of the World Trade Organization, while warning that if this request was not met, the United States would have no choice but to take necessary measures.

DLP lawmakers said: "During our stay in the United States, we came to have the feeling that the next target after Japan of the United States for the opening of foreign markets will be the ROK."

National Assemblyman Son said, in particular: "The U.S. trade officials seem very unsatisfied with the ROK's non-tariff barriers, including the recent delay caused by minor questions in the ROK's customs

clearance of corn imported for popcorn, the annual import of which is \$45,000, and of chocolate, whose import amount is relatively small."

'Patience' Urged in U.S.-Japan Trade Conflict

SK1705074195 Seoul MUNHWA ILBO in Korean
17 May 95 p 3

[Editorial: "'A Dangerous Gamble' of the United States"]

[FBIS Translated Text] The U.S.-Japanese automobile trade dispute has entered its worst phase, a phase in which the two countries may begin a trade war, while turning away from the world's desire for settlement through negotiations. On 16 May Mickey Kantor, U.S. Trade Representative, announced a plan to impose 100 percent retaliatory tariffs on 13 kinds of Japanese-made deluxe passenger cars worth \$5.9 billion (based on 1994 U.S. import data). If this plan officially takes effect after a grace period of 45 days, it will virtually amount to an overt market blockade to drive the targeted car models out of the U.S. market.

At this moment, Japan is in a position to resolve the issue through trade dispute settlement procedures at the World Trade Organization [WTO] instead of by taking countermeasures against the U.S. retaliatory measure. The primary responsibility for the U.S.-Japanese automobile trade dispute lies with the Japanese side. As a result of the one-sided retaliatory measure of the United States, however, the two countries may be said to be equally responsible for the problem, and the United States must now shoulder responsibility for its actions.

The United States recently put forth its last bargaining chip after 20 months of negotiations on the U.S.-Japanese automobile trade dispute. The only opportunity remaining in negotiations for a settlement of this dispute is the G-7 [Group of Seven] summit meeting to be held in Canada in mid-July. We expect that the U.S.-Japanese trade war will have many repercussions, and hope that the two countries will each take a step back and compromise.

To effect such a breakthrough, it is, first of all, desirable for the Japanese to cope with the U.S. decision to impose retaliatory tariffs in the most cool-headed way. No matter how insulting the U.S. request for Japan's guarantee to meet the targets set by the United States or how insulting the latest U.S. decision to impose retaliatory tariffs may seem to be, the Japanese Government should humbly accept the fact that the Japanese Government should rectify the basic closed nature of the Japanese domestic market for the sake of a solution to the issue.

In this connection, before the United States puts its retaliatory tariffs into action, we would like hear news that Japanese automobile business circles will voluntarily agree to buy more U.S.-made car parts, thereby allowing the administration of Prime Minister Murayama out of a potentially embarrassing situation. We would also like to see as a positive sign news that the Japanese Government will ask for emergency negotiations with the U.S. in order to avoid direct confrontation with the United States.

This notwithstanding, the key to returning to the negotiations lies with the U.S. side. This is because Japan cannot make so many concessions that its own citizens will regard such actions as a complete submission to the United States. In particular, the Clinton administration should once again understand the lesson in free trade, that no matter how politically attractive its one-sided trade retaliation based on U.S. domestic laws may seem, in the long run the victims of such a measure will be U.S. citizens.

Under no circumstances should the U.S.-Japanese automobile trade dispute escalate into a trade war. Even if the United States continues to push for the imposition of retaliatory tariffs, the worst situation would be for Japan to undertake similar countermeasures. In the event that the United States and Japan fail to reach a compromise in their bilateral negotiations, we hope that they will show patience and presence of mind by opting for the next best policy of waiting for a resolution of the issue at the WTO.

Government Reviews Plan To Implement N-S Pact

SK1705025495 Seoul CHOSON ILBO in Korean
17 May 95 p 1

[Report by Kim Sung-yong]

[FBIS Translated Text] It was learned on 16 May that the government is positively reviewing a plan to propose the implementation of a peace agreement between North and South Korea.

Recently, North Korea has been continuously maneuvering to abrogate the Armistice Agreement. Therefore, it is likely that this government policy was prompted by the belief that it would be more realistic for us to take this measure to cope with the possibility of North Korea closing the DMZ and committing various provocations, and through this, push ahead with its goal to conclude the U.S.- North Korea peace agreement.

A government official said: "The first step of the plan under review is to turn the Armistice Agreement into an agreement between relevant parties in North and South Korea to cope with a new situation, and the second step

is to hold full-scale talks between the North and the South to discuss the establishment of an organization to oversee the DMZ and other issues pertaining to disarmament, the maintenance of peace, and building mutual trust between the North and the South."

This official added that "the plan will point out to the international community the deception in the North Korean side's logic for concluding a peace agreement with the United States by excluding the ROK."

Government Okays Daewoo, Kohap Ventures in North

*SK1705064095 Seoul YONHAP in English
0609 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — The government on Wednesday approved the Daewoo Business Group's project in which it intends to fully invest in an industrial complex in the North Korean port city of Nampo.

The National Unification Board (NUB) held a committee meeting on South-North Korean exchanges and co-operation and decided to approve Daewoo's project.

Daewoo constructed a light industrial complex in the western port city of Nampo in 1992 along with a North Korean business and exchanged letters of intention with the North to construct plants to produce clothes, bags and footwear.

Meanwhile, the government has also accepted an application it received from Kohap, Ltd. designating the company as a cooperation business — in other words, "a business which can push for economic cooperation with North Korea."

Kohap is now legally entitled to pursue economic projects with North Korea.

More on Daewoo, Kohap Ventures

*SK1705084895 Seoul YONHAP in English
0827 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — The government on Wednesday approved the projects of two business groups designed to develop business cooperation with North Korea.

The National Unification Board (NUB) held a committee meeting on South-North Korean exchanges and co-operation and decided to approve the economic cooperation projects of the two groups.

Na Ung-pae, deputy prime minister and NUB minister, announced that NUB approved the economic projects under the policy that the government will push for

economic cooperation to help restore trust as well as to improve the relations between South and North Korea.

Daewoo Business Group was allowed to go ahead with its project in which it intends to invest 5,120,000 U.S. dollars in three businesses — producing shirts, bags and jackets — in an industrial complex located in the North Korean port city of Nampo.

Daewoo constructed a light industrial complex in the western port city of Nampo in 1992 along with a North Korean business and exchanged letters of intention with the North to construct plants to produce clothes, bags and footwear.

The government has accepted an application from Kohap, Ltd., designating the company as a cooperation business — in other words, "a business which can seek economic cooperation with North Korea."

Kohap is now legally entitled to pursue economic projects with North Korea.

With the government's approval, Daewoo can now invest 2,830,000 dollars in a shirt and blouse manufacturing business in the North, 1,150,000 dollars in a jacket business and 1,140,000 dollars in a bag business.

Kohap can invest 1 million dollars in a solid phase polymerization (SPP) bottle business, 4.5 million dollars in textiles, 700,000 dollars in a clothing and sewing business and another 660,000 dollars in a sheet and cotton business, all in North Korea.

However, the government withheld the approval of a 14 millions dollar polyester filament yarn and staple business project and an 11 million dollar staple fiber business project Kohap applied for, saying that the investments would be too big.

Minister Na said, "We expect that the test investment will encourage North Korea to accept South Korean-style light-water reactors and agree to resume the suspended inter-Korean dialogue."

Daewoo To Send Technicians to North

*SK1705111995 Seoul YONHAP in English
1035 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — Now that the government has approved its joint economic project with North Korea, Daewoo Corp. plans to send a group of technicians to the project site at Nampo west of Pyongyang subject to approval by the government.

A Daewoo official said Wednesday his firm would do all it could to make the project a success inasmuch as

it is the first inter-Korean economic cooperation project in history.

The corp. intends to invest a total of 5.12 million U.S. dollars in the Nampo industrial estate project — 2.83 million dollars in a shirts and blouse plant, 1.15 million dollars in a jacket plant, and 1.14 million dollars in a bag plant.

The joint-venture scheme with the North's General Samcholri Co., is expected to turn out 3,105,000 shirts and blouses, 600,000 jackets and 954,000 bags a year.

North Imports 50,000 Tons of Rice From Thailand

SK1705122495 Seoul YONHAP in English
1214 GMT 17 May 95

[FBIS Transcribed Text] Bangkok, May 17 (YONHAP) — North Korea imported 50,000 tons of Thai rice early this month under the contract signed last February for the introduction of 300,000 tons of rice from Thailand, an informed source here said Wednesday.

The source said North Korea is expected to introduce about 60,000 more tons of Thai rice by the end of this month.

A North Korean economic mission visited Bangkok early last February to conclude a rice purchase contract under which North Korea was to immediately procure 100,000 tons of rice in a credit payable after two years' grace and to obtain 200,000 additional tons later in exchange for North Korea's hot-rolled steel plates, zinc ingots and cement.

Thai authorities suggested that they would ship the rice step by step only after North Korea settled the price of the 100,000 tons of rice it purchased in the 1993-94 period.

North Korea agreed and recently paid 4 million dollars of the 23 million dollars in steel plates and promised they would pay the remainder at appropriate times, thus facilitating the recent shipment.

The 50,000 tons of rice North Korea took recently were "mixed rice," namely, the mixture of regular and broken rice at the ratio of 35 to 65, a kind normally used in Thailand as livestock feeds, according to the source.

Patrol Boat Seizes PRC Smuggling Ship

SK1705104395 Seoul YONHAP in English
1038 GMT 17 May 95

[FBIS Transcribed Text] Tongyong, May 17 (YONHAP) — A Chinese freighter trying to meet a South Korean smuggler in the Korean water off the south coast was seized by a South Korean patrol boat Wednesday noon.

The Chinese-flag vessel was Minshiyu no. 2777 which had a crew of 12 led by skipper Ju Liankun, 33, of Quanzhou, Fujian Province.

A Tongyong maritime police source said the vessel left the Quanzhou Harbor last May 10 carrying 750,000 packs of British-made cigarettes worth 750 million won.

The ship was 7 miles inside the Korean territorial water or 16 miles south of Chasiri-to, Yokji-myon, Tongyong apparently to come in contact with a Korean vessel supposed to take over the smuggled cigarettes when it was seized around 12 noon.

The patrol boat towed the Chinese ship to the Chungmu harbor and began searching for a Korean ship that was to receive the cigarettes.

Kim Yong-sam Greets Mitterrand on Retirement

SK1705082595 Seoul YONHAP in English
0748 GMT 17 May 95

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — President Kim Yong-sam on Wednesday sent a letter to retiring French President Francois Mitterrand, felicitating him on his honorable retirement after 14 years of public service.

During his 14 years as president, Mitterrand infused a new sense of energy into French society, which led France to sustain a high level of development and prosperity, and devoted himself to promoting human rights, including the repeal of the country's capital punishment system, and realizing social justice, Kim said in the letter.

The French people will long remember his outstanding achievements, he added.

Noting that the Korean-French relationship was closer during his tenure of office than at any other period in the two nations' relations, Kim said the bilateral relationship has further developed as a result of Mitterrand's visit to Korea in 1993 and Kim's visit to France last March.

The Korean Government will continue cooperating closely with the new French Government to continue developing the bilateral relationship on the foundation of cooperation built during Mitterrand's tenure, Kim promised.

Foreign Minister Meets Danish Counterpart

SK1705082795 Seoul YONHAP in English
0813 GMT 17 May 95

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — South Korean Foreign Minister Kong No-myong held a meeting with his Danish counterpart Niels Helveg

Petersen Wednesday afternoon and both leaders shared the view that the human rights situation in North Korea needs to be improved.

During an hour-long meeting at Kong's office, the foreign ministers exchanged views on common interests including the situations of Northeast Asia and Europe, and also discussed ways to increase bilateral and South Korea-EU cooperation.

Petersen expressed his country's support for South Korea's bid to become a non-permanent member of the United Nations Security Council, saying Denmark will respect the decision of the Asian group on that issue, a spokesman for the ministry said.

Petersen is scheduled to pay a courtesy call on President Kim Yong-sam later in the day.

20,000 More Foreign Workers To Be Allowed In

*SK1705111895 Seoul YONHAP in English
1032 GMT 17 May 95*

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — To ease manpower shortage among small industries, the government decided on Wednesday to allow in 20,000 more foreign industrial trainees this year.

The decision was made at a meeting of officials from relevant government offices chaired by Vice Justice Minister Kim Chong-ku.

It was also decided at the meeting to expand the scope of industries eligible to hire foreign trainee-workers.

In the past, only those with the history of more than three years' operation and hiring 10 or more employees could have foreign trainees. The conditions were relaxed to include those with more than two years' operation and more than five all-time employees.

The meeting also resolved to improve working conditions of foreign trainee-workers.

To this end, trainees allowance will be hiked, industrial disaster and medical insurance benefits will be given, control of workers' outings will be eased, and a grievance center will be operated at the small business federation for foreign trainee-workers.

On the other hand, it resolved to step up control of those foreign workers who have deserted their original workshops and also those employers hiring deserted workers.

As of the end of last April, there were a total of 32,033 foreign industrial trainees in South Korea, of whom 8,969 have found jobs elsewhere after unlawfully leaving their assigned work sites.

Hyundai Motors Implements 'Indefinite Shutdown'

*SK1705082495 Seoul YONHAP in English
0728 GMT 17 May 95*

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 17 (YONHAP) — Hyundai Motor Co.'s plant here instituted an indefinite shutdown as of 4 pm Wednesday [0700 GMT 17 May].

All production lines at the plant came to a complete halt earlier Wednesday due to a long-drawn strife between hard-line and moderate factions of the company's trade union.

The company said, "we have decided to stop routine works indefinitely as an illegal strike waged by members of the 'Countermeasures Committee for Yang Pong-su's self-burning' has rendered it impossible to operate the plant normally."

Yang Pong-su, a dismissed unionist, attempted to burn himself to death last Friday while demanding his reinstatement, resulting in a partial stoppage of work.

The firm posted copies of a shutdown notice on bulletin boards across Ulsan city and closed the gates of the five automaking factories and auxiliary facilities, including an engine plant.

Further on Hyundai Work Stoppage

*SK1705080895 Seoul YONHAP in English
0647 GMT 17 May 95*

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 17 (YONHAP) — All the production lines at Hyundai Motor Co.'s plant here came to a complete halt Wednesday morning as a result of a long-drawn strife between hard-line and moderate unionists.

The complete work stoppage came five days after a dismissed worker attempted to burn himself to death, at that time resulting in a partial work stoppage.

This is the first time the country's largest automaker has faced a total work stoppage since the July 1993 strike.

Over 8,500 workers reported to work at 9 pm Tuesday [1200 GMT 16 May] for the plant's night-shift. But as some 2,000 of them, mostly followers of a hard-line faction within the workers' union, boycotted work and held a rally, the management had the workers return home. As a result, production lines came to a near halt at about 10 pm Tuesday.

Over 7,000 office and production workers came to work Wednesday morning as usual but no factories could be operated owing to radical workers urging

fellow workers to join in their boycott. The management consequently had to let production-line workers return home at around 8:40 am.

Radical workers, grouped around "The Countermeasures Committee for Yang Pong-su's Self-Burning," demanded that the company pay medical expenses for Yang, who attempted to burn himself to death, reinstate dismissed union members, and punish officials responsible for what they claim were improper actions taken against the union.

The Hyundai Motors Trade Union, meanwhile, issued a statement Wednesday demanding that "illegal group activities for which no one can take responsibility be stopped immediately."

Police, having received a complaint Tuesday from the Ulsan Motor Co. against all 12 members of the "countermeasures committee," issued summonses Wednesday for the 12 members and are collecting evidence in an effort to take legal action against them.

Underlying the work stoppage at Hyundai motors are a longstanding discord between radical and moderate factions of the firm's trade union.

The Hyundai Motors' Trade Union used to lead labor disputes for the Hyundai Group until 1993. The present union leadership, however, managed to reach a compromise with the management last year without resorting to a dispute, rejecting a concerted action with the Federation of Hyundai Group Trade Unions.

The work stoppage was unavoidable as a production line system will completely shut down even if only a small section of the line is not operating as in this case, company and union officials pointed out.

Warrants Issued for Students Propagating Marxism
SK1605062495 Seoul HANGUK ILBO in Korean
16 May 95 p 35

[Report from Pusan by Kim Chang-pae]

[FBIS Translated Text] On 15 May, the Pusan Prosecutor's Office decided to issue arrest warrants for 11 university students and graduates of Pusan University, Tonga University, Pusan Women's University, and Pusan Women's Junior College on charges of violating the National Security Law. They include Choe Kwang-un (24, senior of the department of aviation and space of Pusan University), Yi Sung-chong (22, senior of the department of sociology of Tonga University), and others who are members of the "Brilliant Prospect" study circle, a faction of the Pusan regional Popular Democracy (PD) organization.

The Defense Security Command will also issue arrest warrants for three soldiers of the Defense Security Command, including Yim Un-ki (24, Tonga University student) and Han Su-hwan (22, Tonga University student), on the same charges.

According to the police and the Defense Security Command, Mr. Yim and 20 others formed the "Brilliant Prospect" study circle in September, 1993, and organized lectures on "the ideological principles of Marxism" at Pusan University and Tonga University. They are suspected of lecturing on socialist ideology and labor liberation and of pulling the strings behind several demonstrations.

Defense Minister at Launching of New Submarine

SK1705064895 Seoul MUNHWA ILBO in Korean
17 May 95 p 2

[FBIS Translated Text] On 17 May the ROK Navy held ceremonies to launch naval ship Yi Chong-mu, the fifth new ROK submarine, in the Okpo shipyard in Koje Island with National Defense Minister Yi Yang-ho, Chief of Naval Operations An Pyong-tae, Daewoo Business Group President Kim U-chung, and other military and civilian dignitaries attending.

At the ceremonies Mrs. Kim Hye-suk, 56, National Defense Minister Yi Yang-ho's wife, cut the launching tape in accordance with the traditional custom of our Navy.

The new submarine ship Yi Chong-mu, 1,200 tonnes, was assembled by the Daewoo Shipbuilding Company with the design and technology from the HDW Company of Germany.

New Health, Welfare Minister Interviewed

SK1705091795 Seoul SEOUL SINMUN in Korean
16 May 95 p 3

[Interview with Yi Song-ho, newly appointed health and welfare minister, by reporter So Tong-chol at the Democratic Liberal Party building in Seoul on 15 May; first two paragraphs are SEOUL SINMUN introduction]

[FBIS Translated Text] Yi Song-ho, newly appointed ROK health and welfare minister, said on 15 May: "I will carry out the president's welfare policy and improve the ROK people's quality of life to that of the world's standard."

A Democratic Liberal Party [DLP] lawmaker, Minister Yi, was notified of his appointment during an activity in his electoral district (Migum and Namyangju, Kyonggi Province). He came right back to the DLP building in Yoido.

[So] When did you learn about the appointment?

[Yi] At about 4:15 this afternoon I received the call from the president. He said he had appointed me the minister of health and welfare and asked me to serve the country.

[So] Are you familiar with the Welfare Ministry?

[Yi] Lawmakers always encounter numerous problems in life. The administration of health and welfare is directly related to the people's quality of life, which concerns all lawmakers. I do not think it is important to have been in charge.

[So] Why do you think you were appointed minister?

[Yi] A minister's job is to choose from policies established by experts based on the national goal and the sovereign ideology. The job could be suitable for a long-time lawmaker.

[So] The appointment is so unexpected.

[Yi] After the conclusion of the ad hoc National Assembly session last month, I only came to Seoul three times. I spent most of my time in the electoral district. I feel deep gratitude for my appointment to such an important post, I who have no significant achievements.

[So] Do you think the appointment is consideration for your resignation from your brief chairmanship of the National Assembly construction committee?

[Yi] I only received the order from the nominator. Even though I resigned from the chairmanship of the National Assembly construction committee due to the merger of the construction and transportation committees, was I not informally appointed chairman of the budget-settlement committee?

[So] There is the impending issue of the dispute between traditional and Western medicine.

[Yi] Please understand that I have just been appointed. However, I believe any policy should be administered with rationality.

Leading Opposition Party Remains 'Deeply Torn'

SK1505113495 Seoul YONHAP in English

1037 GMT 15 May 95

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — The opposition Democratic Party [DP] remained deeply torn Saturday in a factional strife over an alleged vote-buying attempt during the party's Kyonggi chapter rally Saturday afternoon, which was to select a party candidate for the coming Kyonggi gubernatorial election.

The dispute flared up when a campaigner of one of the two contenders, Rep. An Tong-son, publicly claimed he saw a man of the other contender, Rep. Chang Kyong-u, trying to buy over delegates with cash.

He then produced three envelopes each containing 100,000 won in cash and a list of some delegates allegedly seized from the attempted vote buyer.

It was just after delegates took part in a run-off vote and the rally site soon turned into an arena for shouting of bad words and physical clashes between the campaigners of the two contenders.

Amid the chaotic scene, DP Kyonggi chapter officials were unable to count the run-off votes. Instead, they sealed the ballot boxes and turned them over to the party's central office.

Both contenders soon took the case to the police. An Tong-son was charging his rival contender with vote buying attempt and Chang Kyong-u was accusing An Tong-son and his men of violence.

Chang was supported by party head Yi Ki-tae's faction and An Tong-son by the "Tongkyo-tong" faction and non-mainstreamers.

An Tong-son's campaigners also denounced the rival camp for accommodating many delegates at deluxe hotels and feting them on the eve of the rally in violation of the election law.

Monday afternoon An Tong-son told a press conference at the party headquarters he was withdrawing from the candidacy in connection with Saturday evening's incident.

He also denounced party head Yi Ki-tae for trying to defend Chang Kyong-u only despite the fact that "Yi and Chang were to be blamed for the whole incident in view of Chang's vote-buying attempt."

Meanwhile, the DP headquarters counted the run-off vote boxes Monday afternoon, which showed Chang earned 226 votes, nine votes more than what An Tong-son obtained, 217 ballots. One vote was invalid.

DP leaders, however, decided not to recognize Chang's election and instead to have the central party decide on the candidacy issue based on the outcome of its probe into the incident.

'Two Splinter Opposition Parties' Merge

SK1605115495 Seoul YONHAP in English

1133 GMT 16 May 95

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — Two splinter opposition parties announced their merger Tuesday.

Kim Chong-pil, president of the United Liberal Democrats, and Kim Pok-tong, head of the New People's Party, announced their parties' merger at a joint press conference at the National Assembly Hall Tuesday afternoon.

"We have decided to get united as a single force promoting a parliamentary cabinet system as opposed to the incumbent power structure, sharing the same ideas of liberty and democracy," the two political leaders said.

The name of the merged party will be the United Liberal Democrats with Kim Chong-pil serving as party president and Kim Pok-tong as senior vice president.

A merger committee will be formed among five officials from each side to complete merger procedures at an early date, a party source said.

ROK To Give Tax Credit to Warehouse Builders

SK1605040995 Seoul THE KOREA TIMES in English
16 May 95 p 8

[By staff reporter No Chun-hun]

[FBIS Transcribed Text] Tax exemptions and an easing of restrictions on the acquisition of real estate are to be introduced by the end of this year to solve logistical problems deriving from the high costs of transportation and distribution.

According to the Ministry of Trade, Industry and Energy [MOTIE] yesterday, an integrated plan to slash logistical costs will assist companies [to] cut costs and enhance productivity.

The master plan was put together by the Presidential Commission on Competitiveness in consultation with MOTIE and the Ministries of Finance and Economy, and of Construction and Transportation.

Chong Chun-sok, chief of the commission's Logistics Unit, explained that there is a crying need for an easing of regulations on the construction of distribution centers to reduce production costs.

"The average cost of transporting materials and the finished product, as well as their storage and finally putting them in the hands of end users is a surprisingly high 17 percent of the total cost," he noted.

Owing to the lack of high standard infrastructure, such as congestion-free expressways and cheap warehouses, producers face enormous difficulties in cutting costs and improving their competitiveness.

"The warehousing of goods and their transportation is an extension of manufacturing activities and equal support needs to be given to address logistical issues," Chong elaborated.

One of the major issues addressed in the integrated support plan is the lifting of regulations on the securing of land for warehouses and direct distribution outlets.

Chong said the plan calls for large business conglomerates, which are obligated to secure large amounts of capital before investing in real estate, to be exempted from legal obligations when the land is for logistical facilities.

At the same time, business companies will be allowed to turn farmland, which is comparatively inexpensive, into freight terminals and other sites for the storage of industrial goods, he elaborated.

In addition, companies which rent, buy or set up distribution or warehousing facilities will be exempted from capital gains and provincial taxes as well as 50 percent of special excise levies.

Through these concessions, the government is hoping for the construction of 21 direct distribution outlets across the nation by the year 2003 and 10 integrated cargo terminals in addition to 50 regular freight terminals.

This, Chong forecast, will cut traffic congestion caused by commercial vehicles by one third and mean idle land can be used more effectively.

"Any company turning in a profit of 3 percent of turnover is healthy. By cutting down on the 17 percent in logistical costs, local companies can easily become strong in terms of international competitiveness," Chong commented.

On top of the price competitiveness, companies will be able to offer consumers more reasonable prices for their products, thus increasing the demand for domestically made items, he added.

Burma**Minister Returns From ADB Conference**

BK1005113895 Rangoon Radio Myanmar in Burmese 1330 GMT 9 May 95

[FBIS Translated Text] A Myanmar [Burmese] delegation led by Brigadier General Win Tin, minister of finance and revenue, arrived back in Yangon [Rangoon] via Singapore this afternoon aboard a Myanmar Airways International flight after attending the 28th annual meeting of the Asian Development Bank [ADB] in Auckland, New Zealand from 3 to 5 May.

Contract Signed With PRC for Ship Purchase

BK1405162295 Rangoon TV Myanmar Network in Burmese 1330 GMT 14 May 95

[FBIS Translated Text] The Ministry of Transport's Myanmar [Burma] Five Star Shipping Enterprise [MFSSE] and the Yunnan Industrial Import and Export Corporation [YIIEC] of the PRC signed an agreement to purchase two 3000-ton all-purpose coastal cargo ships at a ceremony held at the MFSSE's meeting hall on Theinbyu Road at 0700 today.

The ceremony was attended by Lieutenant General Thein Win, minister of transport; Brigadier General Myo Thant, minister of information; Brig. Gen. Abel, minister of national planning and economic development; U San Wai, deputy minister of transport; Mrs. Chen Baoliu, ambassador of the PRC; and responsible personnel.

After delivering the address U Khin Maung Tun, managing director of the MFSSE and Yu Wuhan, president of the YIIEC, signed and exchanged the agreement. It has been learned that the ceremony ended at 0730.

Editorial Welcomes Visit of Lao President

BK1205133895 Rangoon THE NEW LIGHT OF MYANMAR in English 8 May 95 p 6

[Editorial: "Sense Of Sharing"]

[FBIS Transcribed Text] Senior General and Madame Than Shwe will be on hand at the airport to extend warmest welcome, on behalf of the entire nation and on their own, indicative of reciprocal hospitality, and reaffirming their sense of sharing as our two countries have much in common.

The resource-rich neighbour had suffered the interference of colonialism in past history and also suffered the ravages of a war that spilled over into her territory with devastating carpet-bombing that surpassed similar cruelty anywhere.

Though there are those who choose to call the LPDR [Lao People's Democratic Republic] land-locked, that is a description that has lost its currency, because along with her neighbours China, Myanmar [Burma], Thailand, Cambodia and Vietnam, the LPDR can hope for both bilateral and multilateral assist in its endeavours.

Myanmar and LPDR have much in common, ethnically, geographically, and also in the endeavours the leadership of both nations have been making for the benefit of the man in the street.

Our two nations have also enjoyed longstanding friendship since ancient times, which has been further strengthened by exchange of visits at the leadership level and also at other levels.

Recently, while both nations strove to ensure that a market economy would bring economic stability, measures were taken to see the economy take off.

Religion and culture find common identity in Myanmar and the LPDR. In these also, there is a deep sense of sharing for the people of both nations are devoted to the two subjects, with which both share common identity.

There are, of course, more urgent items to be addressed, such as mutually beneficial cooperation. It would be appropriate to suggest that there is much that will develop with joint endeavours in the social and economic fields.

Both nations can contribute to each other's weal, for as good neighbours, one must necessarily be interested in the other's wellbeing.

It must here be suggested that sharing common dreams of peace and prosperity, we must contribute the best way we possibly can to each other's weal for that is the best way worthy friends treat each other.

Four Muslims Surrender in Mergui Township

BK1705152595 Rangoon Radio Myanmar in Burmese 1330 GMT 17 May 95

[FBIS Translated Text] Members of terrorist insurgent organizations have been surrendering continuously after realizing that their organizations' destructive acts were wrong.

Privates Khin Hlaing and Khin Nyo from the Hussein faction of the Muslim terrorist insurgent organization surrendered with two AK-47 assault rifles, 2 magazines, and 20 rounds of ammunition at the Homaw Garrison in Mergui Township on 8 May. Similarly, Pvts. Maung Tun and Hla Shwe from the Madulla faction of the Muslim terrorist insurgent organization surrendered with two hand grenades at the same garrison on 10 May.

Brunei, Malaysia & Singapore

Malaysia

U.S.-DPRK Nuclear Talks Previewed

BK1605131495 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 16 May 95

[FBIS Translated Text] Malaysia hopes that the nuclear talks between North Korea and the United States will lead to an immediate agreement. Talks will be held in Kuala Lumpur on Saturday [20 May] to settle several problems with the provisions of a bilateral nuclear agreement. Tan Sri Ahmad Kamil Jaafar, secretary general of the Ministry of Foreign Affairs, said Malaysia consistently supports the talks because the two countries have good relations with Malaysia.

The talks will be held alternately at the U.S. and North Korean Embassies. U.S. Embassy spokesman Nicholas Mele said in Kuala Lumpur that delegations from the two countries will arrive on Friday and the talks will be held on Saturday. The United States will be represented by Thomas Hubbard, assistant secretary of state for East Asian and Pacific affairs. An eight-member North Korean delegation will be led by Vice Foreign Minister Kim Gwe-Gwan.

Japan Criticized for Slow Technology Transfer

BK1705134095 Kuala Lumpur BERITA HARIAN in Malay 17 May 95 p 2

[Report by Ishak Dalib and Sariha Mohd Ali]

[FBIS Translated Excerpt] Johor Bahru, Tuesday — Datuk Sri Anwar Ibrahim has criticized Japan for its sluggish transfer of technology to local companies in joint venture projects compared with the transfer of technology by companies from the United States.

The deputy prime minister said the Japanese companies involved with the provision of technical training need to be more responsible in assisting developing nations with the process of technology transfer.

Speaking to reporters after the launch of the Training Program for Young Engineers sponsored by Linkdua (M) Berhad [Limited] (Link) and Universiti Teknologi Malaysia (UTM) here today, the minister said: "Up till now, Japan has been sluggish in its transfer of technology compared with the United States and its contributions. It is not that I am pro-United States, but the Japanese engineering companies appear to be tight-fisted regarding their transfer of technology."

Official on Possible Australia EAEC Entry

BK1705123595 Kuala Lumpur THE STAR in English 17 May 95 p 7

[FBIS Transcribed Text] Petaling Jaya — Malaysia has yet to consider Australia and New Zealand as part of the East Asian group of countries.

Foreign Ministry Secretary General Tan Sri Ahmad Kamil Jaafar said this yesterday when clarifying press reports which quoted Prime Minister Datuk Sri Dr. Mahathir Mohamed as saying that Australia could join the East Asia Economic Caucus (EAEC).

Meanwhile, Australian High Commissioner to Malaysia John Dauth said the commission had not received any "official communication" from the Malaysian Government over Australia's entry into the caucus.

A news agency, quoting THE AUSTRALIAN, reported on Monday that Dr. Mahathir had said Australia could join the EAEC although he had earlier specifically ruled the country out of the grouping.

The newspaper quoted Dr. Mahathir as saying that as Australia became more "asianised" in terms of geographical relations and outlook, there was no reason why it could not be part of EAEC.

Retention of Internal Security Act Endorsed

BK1605124095 Kuala Lumpur BERITA HARIAN in Malay 16 May 95 p 10

[Editorial: "The ISA Is Designed To Maintain Harmony"]

[FBIS Translated Text] Action is not indiscriminately taken against someone under the Internal Security Act [ISA] out of revenge or for political reasons. There are clear criteria under which a person can be detained under the act. The authorities will resort to the act only if someone's action could incite racial sentiments, undermine the unity between races or within a race, or incite religious sentiments. A person can be detained for such crimes stipulated under the act as the possession of firearms, because it could threaten public security, and for the dissemination of false propaganda, because it could seriously undermine security. As criminals use physical weapons to intimidate the public, politicians use their arguments to incite the people, which could in turn cause disturbances. As a matter of fact, sowing hatred against the government could result in various acts of violence that could eventually degenerate into uncontrollable riots.

As peace-loving citizens, we should be thankful to God that we have this act that protects the people. The act

has been severely criticized only by foreign countries because they claim that it has deprived people of universal human rights. For us, action that could cause insecurity and anxiety will be dangerous. In fact, such persons will undermine universal human rights because they will drag people into violence and conflicts. In fact, there is more or less room that will enable the act to be amended from time to time. Any possible flaw is not a matter of principle but rather a technical one.

We consider the statement by Deputy Home Affairs Minister Datuk Megat Junid Megat Ayob that PAS [Pan-Malaysian Islamic Party] leaders may be detained under the act if they are found guilty of disseminating information that twists religious teachings and splits Muslims to be very clear. In fact, the act provides for types of action that could be taken against those committing such offenses. We believe that the persons involved have realized that their words, speeches, or religious rulings are subject to the provisions in the act. The act is not restricted to PAS leaders. Leaders from other opposition parties such as the DAP [Democratic Action Party], the Malay Party of the Spirit of 46, the Sabah United Party, and even those from the National Front itself are subject to the act. We hope that followers of political parties will follow the authorities because what the authorities are doing is for our long-term interests. We should admit that the ISA has more or less helped accelerate the process of achieving racial unity in the country because we all are subject to guidelines as to what we can do and what we cannot for the sake of peace in the country. We should also admit that the ISA was instrumental in paralyzing communism. We believe that the prevailing atmosphere would have been something impossible if the ISA had not existed. Various foreign influences from revolutions in several countries and the extremism of various religious groups would have probably penetrated our country. For us, those who are afraid of the ISA are those who always feel guilty of what they are doing. As the government's current measures follow the last general election, we hope that the government will completely investigate the political party involved. If their behavior is not checked now, they will get bolder in the next general election. For us, the PAS' most serious offense is its action in twisting the Islamic teachings. It is up to the authorities with the assistance of the Islamic Religious Council to define the deviations without undermining Islam itself. If possible, any action should be explained by religious leaders and experts to prevent those bent on finding fault with the authorities from leveling new allegations against the authorities.

Singapore

Editorial Urges Negotiation of Spratlys Claims

BK1605124395 Singapore THE STRAITS TIMES in English 15 May 95 p 28

[Editorial: "Spratlys Free for All?"]

[FBIS Transcribed Text] A major pronouncement by Beijing in connection with the disputed Spratly islands seems almost to have escaped the world's notice: about three weeks ago, Chinese Foreign Ministry spokesman Chen Jian announced that while maintaining its claim to sovereignty over the archipelago "and maritime rights and interests," China would also fulfil "the obligation of guaranteeing free passage of foreign vessels and aircraft in the South China Sea." One reason why this statement may have received less attention than it deserved could be that it coincided with another, more high-level assurance. While Mr. Chen was trying to assuage fears about navigation, Chinese Foreign Minister Qian Qichen was reiterating in New York for the benefit of American Secretary of State Warren Christopher that China would not settle the dispute by military means.

The candid exposition to which Prime Minister Goh Chok Tong seems to have treated his host in Beijing might help to hold China to Mr. Chen's welcome assurance, while ensuring the acquiescence of the other claimants as well. As Mr. Goh implied, competing claims to ownership of the islands rank lower in the global scale of priorities than the right of international sea and air passage being not interfered with. Singapore can afford to take an objective view of this since apart from Thailand, it is the only ASEAN country with no direct stake in the dispute. Indonesia is not a claimant either. But it has expressed concern that China's position on the Spratlys might overlap with the maritime territory that Indonesia claims around the neighbouring island of Natuna, off the Riau coast.

Yet, it would be unrealistic of Singapore (or any other country) not to recognise that shipping might be affected, and global trade and commerce with it, if, as Senior Minister Lee Kuan Yew put it in a recent interview in THE ASIAN WALL STREET JOURNAL, the South China Sea is "divided into a mosaic of little lakes for six or five owners or joint owners." The alternative of a single owner need not necessarily be more comforting: sole possession can make it easier to hold the world's prosperity to ransom. Nor can friction be ruled out if the other claimants feel unfairly done out of their rights, especially since all of them, barring Brunei, maintain some sort of military presence to back up the toehold they have already established on islets, reefs, shoals, and sandbars. Since voluntary evacuation

is as much out of the question as forcible eviction, the only practical course would seem to be to place the sovereignty question on hold until the ASEAN Regional Forum (ARF), which is bound to discuss the matter at its Brunei meeting in August, is able to come up with ideas.

True, China objects to multilateral discussion. True, too, many of the other claimants are opposed to joint development. It is precisely by reconciling such contrary positions that the ARF can win its spurs as a damage control mechanism. China may have to be reminded that, like Vietnam, it endorsed the 1992 ASEAN declaration on a peaceful solution to the problem. Claimant governments that say they object to joint development are surely not as innocent of international corporate politics as to imagine that exploration contracts to American and European companies will leave total and exclusive authority in their hands? An equitable basis for pooling the region's resources might be a far better guarantor of Asian interests. The key lies in negotiations among the claimants: the exact modalities may not matter too much so long as all voices are heard and the outcome is generally acceptable. That is bound to take time. Meanwhile, the world must make it clear that, irrespective of China's ultimate gains in the Spratlys, it must live up to the principle that the South China Sea is not an inland lake. The ARF might ask the other claimants also to promise to uphold that principle.

Minister Reminds Ethnic Chinese of Loyalties

BK1705140595 Singapore Radio Corporation of Singapore in English 1000 GMT 17 May 95

[FBIS Transcribed Text] Ethnic Chinese must always keep their cultural ties separate from political links with China. Their loyalty must be to the countries they belong to, be it Singapore or elsewhere.

Information and the Arts Minister George Yeo gave his advice at the opening of the Chinese Heritage Center. Brigadier General Yeo said among the Chinese, there will be a revival of interest in common values and traditions. This is a worldwide phenomenon that is also affecting other ethnic groups. Thus, it is important that while celebrating our cultural connections, our political loyalty must be to the countries we belong to.

Gen. Yeo said this separation will become more important in the next century as China becomes a major economic power. He said ethnic Chinese who invest in China or trade with it are not its agents, and the long-term stability of the region will partly depend on this clear distinction. Otherwise, Gen. Yeo said, a new polarization along ethnic lines can occur. He added the Chinese Heritage Center must be mindful of this.

President of the Singapore Federation of Chinese Clans Associations Wee Cho Yaw said eventually the center will evolve into a museum. There is already \$5 million [Singapore dollars] in the Endowment Fund to maintain the center.

Cambodia

Chea Sim's Visit to United States Hailed

BK1705065195 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 16 May 95

[Commentary: "A Good Sign of the Bilateral Relations"]

[FBIS Translated Text] After his 6 May visit to the United States during which he met with U.S. Senator John McCain at the Senate Office and with California Representative Dana Rohrabacher and Assistance Secretary of State Winston Lord, Samdech Chea Sim, chairman of the National Assembly of the Kingdom of Cambodia [KoC], said that the KoC with the National Assembly elected by the people and the Royal Government of Cambodia [RGC] born from the elections is making efforts to defend the people's rights and freedoms and build the country in line with the liberal democratic principles.

It should be noted that the United States is one of the countries which has helped to restore peace in Cambodia and to bring about a legitimate royal government, and played an important role in providing aid for the reconstruction and development of Cambodia. Moreover, the United States is the country which has supported the implementation of democracy and human rights in Cambodia.

It is known to all that the restoration of Cambodia depends mainly on agriculture and tourism. It is now a very good time for U.S. investors and businessmen to come to invest in Cambodia, because we have issued several laws as a basis of assurance for foreign investors.

At present, Cambodia is in need of so many things for national restoration and reconstruction. It primarily needs human resources. This is because after the Khmer Rouge rule, nearly all intellectuals were killed by the Pol Pot clique.

Both the National Assembly and RGC have called on the United States to help in training human resources and to give Cambodia MFN status to attract foreign investors.

During his meeting with U.S. Senator John McCain, Samdech Chea Sim thanked the senator for working for the passage of a bill giving MFN status to Cambodia.

Senator John McCain highly appraised Samdech Chea Sim's important role in the process to bring national reconciliation and peace to Cambodia. He also welcomed Samdech Chea Sim's first visit, although a private one, as being very important to further strengthen bilateral relations.

The effort to quickly grant Cambodia MFN status was also discussed during the visit.

Concerning the recent attacks launched by the Khmer Rouge around Battambang Province, McCain said that they were the biggest obstacles to the peace process and the building of democracy in Cambodia.

McCain hoped that the RGC [words indistinct] the support and aid from the U.S. Government and [words indistinct] the Khmer Rouge issue has not ended yet. Thus, Cambodia still needs more aid from the United States.

Our people are very glad about the solemn promise that Senator John McCain made to National Assembly Chairman Samdech Chea Sim. They are confident that through this meeting in an atmosphere of cordiality and mutual understanding, the relations between the KoC and the United States will further develop in the cause of peace throughout the world.

Transport Problem on Mekong River Reported

BK1605121695 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 15-16 May 95 p 4

[FBIS Summary] Transportation on the Mekong river between Phnom Penh and Kratie Province is worsening because the river is strangely getting shallower in many places. Large motor boats have suspended all transport activities more than two weeks ago.

Between Phnom Penh and Kratie Province there are four places that are impassable to large boats: Prek Prang in Prek Prasap District; Pongro in Chhlong District; Pralay Andong in Stoeng Trang District; and Pralay Sdau in Roka Kaong commune.

Boat operators also say that water traffic between Kratie and Stung Treng is impossible and has been suspended for almost 20 days. Travelers have to go to Kratie by road to travel to Phnom Penh by boat. This traffic problem has affected the price of goods in local markets.

Ko Sengheang, deputy chief of the Phnom Penh Port Authority, says the Mekong river gets shallower every year due to natural and human factors and that the river has not been dredged for many years. The Port Authority annually set up plans to dredge the river bed but lacks the budget to implement them. He adds that the Port Authority is currently dredging a stretch at Pralay Sdau

that is 1,450 meters long, 40 meters wide, and 2.8 meters deep. The dredging is almost completed.

Rangsi Expects Expulsion From FUNCINPEC

BK1605122195 Hong Kong AFP in English 1158 GMT 16 May 95

[FBIS Transcribed Text] Phnom Penh, May 16 (AFP) — Controversial former Finance Minister Sam Rangsi said Tuesday that he expected to be expelled from the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and would probably be thrown out of parliament.

"I have been told a few minutes ago by a senior FUNCINPEC member of the government that I would be expelled from the party," Sam Rangsi, the government's most vocal critic, told AFP.

"Since he is also a member of the (party) steering committee, I think I can believe his word," he added.

Sam Rangsi, who was ousted in a cabinet reshuffle last year, said he believed that following expulsion from the party, he would also be thrown out of parliament.

The move to expel him from parliament would be "illegal" under the electoral law introduced by the United Nations prior to the May 1993 UN-supervised elections, he said.

The MP for northwestern Siem Reap Province recently announced plans for setting up a new political party, saying the country needed "clean and competent" leaders.

FUNCINPEC party leader and First Prime Minister Prince Norodom Ranariddh recently said that he used to think of Sam Rangsi as a "patriot" but now he was "sorry" he was a member of FUNCINPEC, a member of parliament and a Cambodian.

Indonesia

Iraqi Vice President Begins Official Visit

Delegation Arrives in Jakarta

BK1605121495 Jakarta ANTARA in Indonesian 0632 GMT 16 May 95

[FBIS Translated Text] Jakarta, 16 May (ANTARA) — Iraqi Vice President Taha Yasin Ramadan arrived at Halim Perdanakusuma Airport in Jakarta on Tuesday morning at about 0800 West Indonesian Standard Time [0100 GMT] for an official visit to Indonesia that will last until 18 May.

The state guest proceeded from the airport to the State Guesthouse and later paid a courtesy call on Vice President Try Sutrisno at the Merdeka Selatan Palace.

The two vice presidents discussed various bilateral, regional, and international issues. Senior officials from the two countries held parallel talks.

Foreign Minister Ali Alatas was one of the members of the Indonesian delegation at the talks, while Iraq was represented by among others, Deputy Foreign Minister 'Abd al-Jabbar al-Doory and Deputy Industry and Mineral Minister Qahtan al-Anbaki.

The Iraqi vice president will pay a courtesy call on President Suharto at the Merdeka Palace on Wednesday.

While in Indonesia, the guest will lay a wreath at the Kalibata Heroes Cemetery and visit the Indonesian Miniature Park, the Purna Bhakti Pertiwi Museum, the Nusantara Aircraft Industry, and the Afro-Asian Conference Museum in Bandung.

The Iraqi guest is expected to discuss the UN embargo on Iraq during his visit to Indonesia.

Minister and State Secretary Murdiono said in Jakarta last Friday that relations have long been established because Iraq was among the first to recognize the independence of the Republic of Indonesia.

In addition, Iraq boycotted Netherlands ships and aircraft carrying arms bound for the Netherlands forces trying to crush the Republic of Indonesia in the early years of its independence, the minister and state secretary recalled.

Try Sutrisno Meets Ramadan

JN1605113095 Baghdad Republic of Iraq Radio Network in Arabic 1030 GMT 16 May 95

[FBIS Translated Text] Taha Yasin Ramadan, Revolution Command Council member and vice president, met with Indonesian Vice President Try Sutrisno in Jakarta today. They discussed bilateral relations in all fields, the unjust blockade imposed on Iraq, Indonesia's positive and fair stand toward Iraq and its people, and its international role in explaining Iraq's just cause.

Vice President Taha Yasin Ramadan arrived in Jakarta earlier today on an official visit that will last several days.

Honored at Banquet

BK1705042995 Jakarta ANTARA in Indonesian 1826 GMT 16 May 95

[FBIS Translated Text] Jakarta, 16 May (ANTARA) — Vice President Try Sutrisno says Indonesia will do its best to help end UN sanctions against Iraq, which

has brought about hardships to the Iraqi people. It will make efforts to help end the sanctions at any available opportunity and forum, including the United Nations, especially after becoming a member of the UN Security Council. The vice president said this at a banquet in honor of visiting Iraqi Vice President Taha Yasin Ramadan at Jakarta's Merdeka Palace Tuesday night.

Sutrisno said the UN economic sanctions have disrupted trade and economic ties between Indonesia and Iraq. He added that the sanctions have had a negative impact not only on Iraq, but also other countries, especially developing ones, including Indonesia. Indonesia also welcomes what Iraq has done to comply with the UN Security Council resolutions. It believes that as a responsible UN member, Iraq will fulfill its obligations to get the United Nations to lift its sanctions.

Indonesia welcomes Iraq's recognition of Kuwait's sovereignty and defense line and sees it as an important step toward reconciliation between the two countries in particular, and other countries in the region in general. The 18th summit of the Nonaligned Movement in Jakarta made the reconciliation call.

The Indonesian people always monitor developments in the Middle East in general and in Iraq in particular. That is why President Suharto, in his capacity as the Nonaligned Movement chairman, assigned Alamsyah Ratu Prawiranegara, roving ambassador for Asian affairs, to visit Iraq in 1994 to get first-hand information from Iraqi President Saddam Husayn.

Sutrisno said on the eve of their 50th independence anniversary, the Indonesian people always remember the assistance and support of the Iraqi Government and people when Indonesia was still in its infancy.

It remembers Iraq as one of the first few countries in 1947 to recognize its independence. The Indonesian people will never forget such political support. Diplomatic ties were soon established in 1950, and its mission opened in Baghdad in the same year.

In his speech, Iraqi Vice President Taha Yasin Ramadan said the economic blockade against Iraq is unreasonable and will not last. He believes Iraq's current problems and the people's hardships will end soon.

Iraq is always grateful and remembers the support of the Indonesian Government, especially President Suharto.

The Iraqi Government and people appreciate the friendly stand of the Indonesian Government and people, who are extending their spirit of brotherhood and solidarity.

Iraq also appreciates Indonesia's just and wise stand on the current economic blockade. The Iraqi vice president

is confident that Indonesia will help Iraq achieve its noble objectives through the Nonaligned Movement and the UN Security Council.

The Iraqi vice president will end his official visit to Indonesia on 18 May. During his visit, he will pay a courtesy call on President Suharto and visit the Indonesian Miniature Park in Jakarta and the Nusantara Aircraft Industries in Bandung.

Ali Alatas Regrets China's Nuclear Test

BK1605124595 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 16 May 95

[FBIS Translated Text] Indonesia regrets an underground nuclear test conducted by China yesterday and hopes that all countries will end nuclear tests to pave the way for a comprehensive nuclear test ban treaty.

Speaking to reporters in Jakarta today, Foreign Minister Ali Alatas said he regretted the Chinese underground nuclear test, although the Chinese said they needed to conduct several nuclear tests. Earlier, the Japanese and Australian Governments protested the nuclear test. China conducted the underground nuclear test at the Lop Nor testing site yesterday, just several days after Beijing endorsed an indefinite extension of the Nuclear Nonproliferation Treaty at a UN conference.

New Deregulation To Spur Foreign Investment

BK1605123895 Jakarta KOMPAS in Indonesian 16 May 95 p 2

[FBIS Translated Text] Toronto, Tuesday — Sanyoto Sastrowardoyo, minister of state for the mobilization of investment and chairman of the Investment Coordinating Board, has said another deregulation package to be announced by the government soon will revise current investment rules, including cutting the negative investment list. "However, the cut will be very limited," he said after opening a seminar entitled "Investment Opportunities in Indonesia" in Toronto, Canada on Saturday (13 May). The seminar is being attended by a number of Canadian businessmen.

According to Sanyoto, the new deregulation package will be part of the government's commitment to further improving the domestic business climate to spur national economic growth. "It is undeniable that foreign investment is a factor that contributes to domestic economic activities, but the deregulation policy continues to protect the interests of national business circles," he said.

Meanwhile, Sugihono Kadarisman, deputy chairman of the Investment Coordinating Board for promotion, said on the same occasion that the deregulation package

will revise the previous government decree on foreign investment. Government Decree No. 20/1994, which cut the negative investment list and opened nine strategic sectors to foreign investors, was issued some time ago. "The new deregulation package will revise Government Decree No. 20/1994," Sugihono said.

The minister of state for the mobilization of investment added that further cutting the negative investment list is a must. Indonesia cannot afford to continue to protect domestic business sectors. "Providing foreign investors with an opportunity to enter strategic and protected sectors will accelerate the development of the sectors themselves," he said.

He added, however, that the cut will not be made drastically but rather in correct stages. In other words, national businessmen active in the sectors will be given a chance to become mature and independent.

Economic Relations

Addressing the opening of the seminar, Sanyoto disclosed that the volume of Indonesian-Canadian trade in 1994 increased by 10 percent over 1993. In 1994, Indonesian exports to Canada amounted to U.S. \$373 million and its imports from Canada totaled U.S. \$321 million. Economic relations between the two countries are, thus, expected to have a bright future.

According to Sanyoto, the higher trade volume should have increased Canadian investment in Indonesia. In reality, Canadian investment has amounted to only U.S. \$1.1 billion or about 1 percent of total foreign investment in Indonesia.

Home Minister on ABRI's House Seats Cut

BK1705121195 Jakarta KOMPAS in Indonesian 17 May 95 p 11

[FBIS Translated Excerpt] Jakarta, KOMPAS — Home Affairs Minister Yogie Suardi Memed has stated that ABRI's [Armed Forces of the Republic of Indonesia] presence in the House of Representatives is not provisional but is an integral part of the Pancasila [state ideology] democratic life. It is thus wrong to say that ABRI's presence in the House of Representatives has impeded democracy. Rather, ABRI's presence is a manifestation of Pancasila democracy.

The home affairs minister said this while explaining a draft law to amend the Law on the Structure and Status of the People's Consultative Assembly, the House of Representatives, and Local Houses of Representatives during a plenary session on Tuesday (16 May).

The draft law — presented by the home affairs minister to a session chaired by Deputy Speaker Suryadi — will

reduce the number of ABRI members in the House of Representatives from 100 to 75. Only Subarticles 3 and 4 of Article 10 of the current law, which deal with House membership, will be amended. The status of the People's Consultative Assembly and local houses of representatives remains unchanged.

The home affairs minister admitted that the planned reduction in the number of ABRI members in the House of Representatives will affect the political constellation in the house. More people will be elected in the next general election. Political organizations will thus have an opportunity to put more representatives in the House of Representatives to meet the people's aspirations.

"This matter will in no way reduce ABRI's role as a dynamizing and stabilizing force as mandated in Defense and Security Law No. 20/1982," the home affairs minister said.

Philippines

Ramos Comments on Relations With United States

BK1705111395 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 17 May 95

[FBIS Translated Text] Trade relations with the United States will continue. This was stressed by President Ramos in his news conference this afternoon. The president also said that he has plans to visit the United States again, not to ask for aid but to improve relations between the two countries, especially on trade.

Officials Downplay Spratlys 'Blocking' Incident

BK1705114095 Quezon City ABC-DWET Television in Tagalog 1000 GMT 17 May 95

[FBIS Translated Text] Defense Secretary Renato de Villa said that the incident involving Chinese ships blocking the Philippine ship boarding journalists to visit the Spratlys Islands should not be viewed as a challenge from the Chinese. According to De Villa, the Chinese ships were used for fishing and not a big threat to VRP [Vessel of the Republic of the Philippines] Benguet and the 39 journalists aboard. He added that this incident is not an obstacle to the Philippines reclaiming the Mischief Reef. As for now, De Villa is hoping that the dispute between China and the Philippines will be resolved properly through the ASEAN Manila Declaration signed in 1992.

[Begin De Villa recording in English] It is not...I would not be discouraged at this point, particularly in line with the fact that the dialogues are ongoing and the efforts...[pause] diplomatic efforts are still ongoing. It might be too early to say that it cannot be done. [end recording]

General Arturo Enrile, Armed Forces chief of staff, holds the same view. According to Enrile, the blocking incident should not be sensationalized. Probably, the Chinese fishermen just wanted to take a closer view of the ship boarding the journalists.

[Begin Enrile recording in English] I do not really look at it as a provocation, as in the same manner that the actions taken by us, by agreeing to the request for the media people to go there, as a provocation. [end recording]

Meanwhile, China is strongly protesting the trip made by the journalists to the Spratly Islands. According to Chinese Foreign Ministry Spokesman Shen Guofang, the intrusion of VRP Benguet into its territory is a serious violation of Chinese sovereignty. Shen warned that the Philippines should recognize the position of China on these islands, or the Philippines should have acted properly through negotiation. Aside from China and the Philippines, other countries — Brunei, Malaysia, Taiwan, and Vietnam — claim the Spratlys Islands, in whole or in part.

President Ramos responded to the statement by (Zhen). According to Ramos, the government-sponsored trip to the Spratlys was not an intrusion into Chinese territory. He said the trip was a peaceful visit so that the journalists could see the situation in the Spratlys for themselves. He said that as of now, the next step that China will take remains uncertain, although he hopes that it will not be a violent one.

6-Day Media Trip to Spratlys Said Successful

BK1705014495 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 16 May 95

[FBIS Translated Text] Thirty-seven members of the media, 27 foreign and 10 local-based, successfully made a six-day trip to the hotly contested Kalayaan Group of islands, or the Spratlys. Our GMA-7 crew, headed by Arnold Clavio, was fortunate to join the historic expedition, including the opportunity to set foot on the controversial reef, Mischief Reef or Panganiban Reef. Here is the report:

[Begin Alex Tinsay recording] This is the first time that the Kalayaan Group of islands was opened to members of the media. Major General Carlos Tanega, Western Command Chief, headed the trip. It took two days to reach the disputed Mischief Reef, or Panganiban Reef. The Panganiban Reef is within the 200-mile exclusive economic zone of the Philippines, but the Chinese illegally landed by docking their ships and putting up structures on the reef. Four structures are erected on Mischief Reef. These are made from prefabricated

material and the Chinese flag can be seen fluttering above it. Also seen were parabolic containers, octagonal buildings, a helicopter pad, and a telecommunications dish. Likewise seen were several Chinese hiding, while others were seen fishing.

According to Beijing, the reef structures are shelters for their fishermen, but Philippine officials do not believe this.

Some tension occurred when two Chinese Navy ships blocked the route of the journalists, who were near Mischief Reef at a distance of eight nautical miles or 12 kilometers. This is the closest confrontation between the naval vessels of China and the Philippines. The Chinese got as close as 15 to 17 yards. The face-off lasted for 15 to 17 minutes. General Tanega tried to communicate with the other ship by radio, but no one answered from the Chinese side. One of the Navy ships was marked PROC [People's Republic of China] Fishing Administration No. 34. Aside from this ship, there were two Chinese warships spotted in the area. The journalists changed route going to Pag-asa Island and confrontation was avoided. [end recording]

Thailand

Asians Continue To See Potential PRC Threat

*BK1705095295 Bangkok BANGKOK POST
in English 17 May 95 p 4*

[Article by Saridet Marukathat in Beijing]

[FBIS Transcribed Text] Despite repeated assurance from China that it has no intention of threatening stability in the region, Asian countries continue to try to ascertain what is really in the mind of the world's most populated nation.

Pessimists believe China will expand its influence to other countries after achieving economic success to fill the vacuum in the Asia-Pacific region left by the diminishing forces of the United States. Some even want to contain Beijing's attempt to develop its economy.

But on the other hand, optimists argue that China's economic reform and open door policy will help integrate the country into the region as no country now can afford to remain isolated given the growing inter-dependency of nations and regional groupings.

Powerful Chinese Vice Premier Li Lanqing assures: "China's economic development will constitute no threat to any country. She will contribute to peace with her stable development."

Foreign Minister Qian Qichen, who is also a vice prime minister, repeats the stance, dismissing talks that China

will invade other countries by citing the constructive role it has played in Cambodia and Afghanistan.

"Some people are wondering whether China will pose any threat to other countries when it's developed economically. China will never threaten or invade other countries," he stresses.

Besides Cambodia and Afghanistan, China has tried to show the world that it prefers peace by helping to resolve a potentially explosive dispute between North Korea and the US over Pyongyang's nuclear programme.

Beijing has also settled the border problem with its Asian rival, India, and concluded border demarcations with smaller neighbouring countries such as Laos.

"In the past 15 years, China has shown it is living up to its word on peaceful resolution in the region," said Thai Ambassador to China Sawanit Khongsiri in an interview with Bangkok Post.

But China has been supplying arms to, and expanding its military influence in, Burma as well as launching a plan to modernise its armed forces.

The recent confrontations with the Philippines in the South China Sea over the Spratly Islands have only reinforced China's negative image as a hegemonic power, and aroused more suspicions of its real intentions.

China's 2.9 million active troops with 1.2 million plus on reserve is enough to cause worries in other Asian countries.

Analysts say China's southward move is intended to flex its muscles in the India Ocean and the South China Sea, and countries will have more to worry about after Beijing completes the development of its blue water fleet in the near future.

This has prompted some Asian countries to modernise their armed forces, including Thailand whose Royal Navy is trying to commission submarines to secure sea lanes in the South China Sea even though the country is not directly involved in the Spratlys dispute. The US has also tried to sell the idea of a floating armament depot in the Gulf of Thailand.

The Spratlys are claimed wholly or in part by China, Taiwan, Vietnam and three members of the Association of Southeast Asian Nations - Brunei, Malaysia and the Philippines.

"China's activities in the Spratlys, in Burma, the return of Hong Kong and its move on Taiwan are being monitored," said Mr. Sawanit.

Thus, Singapore Prime Minister Goh Chok Tong has called on China to be more open in its "attitudes and action" to make clear it is serious about peace and stability in Asia.

The sovereignty over the Spratlys dominated talks between the Singaporean prime minister and Chinese leaders in Beijing last week.

Concern over China is understandable as any instability in the region will affect the economic growth of all countries in East and Southeast Asia, a region which is on its way to becoming the most prosperous in the world.

The Asia-Pacific countries will represent about 40 percent of the world's purchasing power and demand for imports over the rest of this decade. They will also make up about one-third of the global output. These countries will share about half the world's gross national product and more than 40 per cent of world trade.

This most certainly includes China with her huge market of 1.2 billion people.

Deputy Prime Minister Suphachai Phanitchaphak acknowledges that security will be a major concern for countries in this area in accomplishing the above projections.

"It is the security issues guaranteeing peace in the region which form the most basic requirement for prosperity and which should be upheld and propagated," he says.

China is undoubtedly paying close attention to ensuring security and stability in the Asia-Pacific region. At the same time, analysts point out that China can contribute to regional security after the Chinese Communist Party resolves its own security problems.

The success of the economic reform programme provides the answer with all 1.2 billion Chinese people reaping a share of the wealth.

Although China's economic performance has been marked by impressive double digit growth in recent years, the country needs to cope with a widening income gap between Chinese living in coastal areas and those living in inland provinces—as well as 15 million newborn babies every year.

"If China can't solve this problem, it will cause a catastrophe throughout the world," said Mr Li discussing population growth, which he called "the most challenging problem" for his government.

Chinese living in the 11 coastal areas earn above average incomes while those in central and western areas much less.

The party has tried to redistribute investment to other areas besides the East and South, but so far Chinese leaders have nothing to offer foreign investors in these areas other than an abundance of natural resources and a plentiful workforce.

US Ambassador to China J. Stapleton Roy has confirmed Washington's belief that the realisation of China's economic reform programme will bring about security for the country and thus stability in the Asia-Pacific region as a whole.

But any failure in China's reform plan, which was initiated by its aging leader Deng Xiaoping at the end of 1978, will make the situation in the region more unpredictable, he says.

"China will become a dangerous and unpredictable factor in the region" if the reform plan fails, he warns.

Burmese Army Banned From Criticizing Thailand

*BK1705080595 Bangkok THE NATION in English
17 May 95 p a3*

[FBIS Transcribed Text] The Burmese Army has been banned from criticizing Thailand in order to show the close mutual ties between the two countries, First Army Region Commander Lt Gen [Lieutenant General] Bandit Malai-arisun said yesterday.

Any soldier heard making negative comments concerning Thailand would be transferred within 24 hours, Bandit claimed.

"Such an order clearly shows that both countries still have close ties and I expect that the border conflicts will soon end. We have to continue improving our mutual economic relationship, especially considering the project to purchase gas from Burma," he said.

His comments came shortly after Burma's Defense Ministry criticized Bangkok for harboring Burmese ethnic groups that have launched anti-Rangoon sentiment, as well as allowing Burmese dissidents, including drug warlord Khun Sa, to travel freely in and out of Thailand.

Meanwhile, Prime Minister Chuan Likphai said yesterday he agreed with criticism that Thailand has paid too much attention to affairs relating to Cambodia and Burma.

"I agree with that comment. I have instructed the authorities concerned to try and follow government guidelines when handling matters related to the two countries," he said.

"They are instructed to help as long as it is within their responsibilities. If not, they should not get involved," Chuan said.

Government Urged To 'Review' Burmese Policy

*BK1705055995 Bangkok BANGKOK POST
in English 17 May 95 p 6*

[FBIS Transcribed Text] Burmese opposition groups yesterday called on the Thai Government to "review its options," both at the regional and the international level, for the bringing about of a political settlement in Burma.

Tin Maung Win of the Democratic Alliance of Burma [DAB] said Thailand is heavily affected by Burma's internal problems and must, therefore, make the effort to obtain regional and international support to deal with the problem.

Mr. Win is the DAB's vice chairman 2, representing the views of the government-in-exile, the National Coalition Government of the Union of Burma.

He urged Thailand to take regional action through the Association of Southeast Asian Nations (ASEAN) and take up the issue with the United Nations secretary-general, while allowing the UN High Commissioner for Refugees to extend help to refugees along the border.

The Government has played down the conflict along the Thai-Burmese border, saying it is an internal matter for the State Law and Order Restoration Council (SLORC) and ethnic minority groups, and has declined to interfere, saying the issue can be tackled at the local level.

Mr. Win said the present situation of persecution in Burma, repeated violation of Thailand's sovereignty by the forces supported by the SLORC, and the influx of refugees, contradict the belief that the issue can be tackled at the local level.

"It is not a purely domestic matter. It clearly threatens regional security and international peace," he said.

His statement was presented in a consultation forum on peaceful resolution of the Thai-Burmese border conflict organized by the Asian Forum for Human Rights and Development (Forum-Asia) and Chulalongkorn University's Program for the Promotion of Non-violence in Thai Society.

The aim of the forum was to seek a constructive resolution to the tension over the Thai-Burmese border caused by the recent incursions into Thai territory of the Democratic Karen Buddhist Army [DKBA] faction, a breakaway group of the Karen National Union.

Journalist Bertil Lintner of the Hong Kong-based Far Eastern Economic Review said the SLORC is playing games with Thai authorities.

Mr. Lintner said that while the SLORC supplies and arms the DKBA, it also shares a common interest with the Thai Army concerning the influx of refugees.

He said: "I'm certain that to test the Thais, the Burmese are pushing the refugees to see how far they can go and how much they can demand from the Thai authorities. That's why they're dragging their feet on the issue, linking the dissident activity in Thailand to the refugee issue. The Thai Government should be aware of the game the SLORC is playing."

Army Deputy Secretary Col [Colonel] Bunchon Chawansin said the Thai military is now deciding which of the 22 existing refugee camps will be the safest. A number of them are quite deep in Thai territory to prevent further attacks by the DKBA.

The move is a compromise between the Army and the Foreign Ministry.

Editorial: 'No Legitimacy' for Government Rule

*BK1705044195 Bangkok THE NATION in English
17 May 95 p 4*

[Editorial: "The Judgement Day for Chuan's Government"]

[FBIS Transcribed Text] Today, the Chuan Government faces a no-confidence motion on its mishandling of the land reform program. The debate itself is unique because this is the first time that a key government policy is subject to a House censure.

In the previous three no-confidence debates, individual ministers were subject to grilling for alleged misconducts. The opposition exposed these ministers' personal affairs publicly, and this made the electorate feel bitter, as many felt that their MPs [Members of Parliaments] — both the opposition and government — would stoop to any level just to drive home a point. We hope this time that MPs will be rational in their debates and keep the rhetoric and mudslinging to a minimum, as the whole country will be watching their performance.

Spirit of Land Reform

There is a reason why such a big uproar is being made over the Chuan administration's, or in particular the Democrat Party's, mismanagement of the So Po Ko land reform program. For one, the Democrat Party rode into power in September, 1992 after campaigning on a platform of land reform. Though a Democrat minister and deputy minister resigned over the allocation of land to 10 "rich" families in Phuket, it however has to be borne in mind that land reform is still one the basic policies of this government.

There are close to 10 million agricultural squatters in this country, and genuine poor farmers are fuming because the whole program has been suspended pending investigations into the actual identities of the recipients.

The question to be asked is whether the Chuan government as a whole had violated the spirit of the land reform program by willfully allocating land to the wealthy. From its inception, the Democrat-led government was bent on fulfilling its election pledge. As yesterday's editorial in the Asian Wall Street Journal pointed out, Chuan's government has given more land in two years than previous governments did in 20.

Going by the records, during the past two years, the Chuan government reformed more than 11 million rai [one rai is equivalent to 1,400 square meters] of land. It had issued 44 royal decrees, designating land in degraded forest reserves as plots to be reformed. The 44 royal decrees have been suspended since the publication of the scandal. Nevertheless, these actions were quite an achievement, spelling out the fact that the government was serious in carrying out the land reform.

Prime Minister Chuan Likphai even went as far as to say in Parliament that his Democrat-led government would hand out at least four million rai of land per year to farmers. The premier added that the Democrat Party had studied the feasibility of land reform, even before the policy was declared, as a party platform in the 1992 elections.

Political Ramifications

The glaring fact is that if the Phuket scandal had not been stumbled upon by the Thai press, the Democrats today would be using their so-called achievements to convince voters why the party should be elected back into power to form the government in the next elections. The political ramifications hence have been made very clear.

When a party's election platform has been proven to be flawed, that particular party, if it forms the core of the government coalition, has no longer any legitimacy to rule.

Thus, the opposition has rightly targeted the censure on the entire government, not sparing the prime minister because he was responsible for the land reform policy and in the appointments of ministers from his own party to take charge of the program. If the opposition can pinpoint and prove that corruption, even if it does not involve Chuan, has taken place or that the government had known all along that rich people will benefit from the issuance of land title deeds, it goes without saying that the prime minister must dissolve the House and seek a fresh mandate from the people.

MPs from both the government and opposition must be given an opportunity to vote freely after the no-confidence debate because this is an issue of national importance and not a vote against particular ministers.

Let the people be the ultimate judge on whether the Democrats should return to govern the country again.

Suphachai on Industry-Wage Scale Relations

BK1605073795 Bangkok BANGKOK POST
in English 16 May 95 p 17

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] Industries should be classified to pave way for adjustment of the minimum wage, according to Deputy Prime Minister Suphachai Phanitchaphak.

The appropriate increase should also depend on labor skills, in order to encourage workers to improve these, Dr. Suphachai said yesterday.

The minimum wage is now set at the same level for all industries, varying only according to province.

The minimum wage for Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Phuket, Samut Prakan and Samut Sakhon is 135 baht per day. For Chon Buri, Chiang Mai, Nakhon Ratchasima, Ranong, and Sara Buri, it is 118 baht per day and for the remaining provinces 110 baht.

He said the minimum wage should soon be classified by industry as this had more validity than a provincial basis.

But he declined to suggest the appropriate rate of the minimum wage which depends on the deliberations of the Tripartite Minimum Wage Committee.

"We cannot refuse an increase in the minimum wage because of the high inflation rate and the rising cost of goods and commodities," Dr. Suphachai said.

He added that the adjustment of the minimum wage should be based on factors such as the cost of living, inflation and competition in the global market.

However, the over-adjustment will affect new investors and workers with fewer skills because employers will not want to hire employees who lack skills.

The best way for both employee and employer is to separate the minimum wage according to category of industry, as each industry has a different growth rate and needs different labor skills.

Some industries have the ability to compete in the world market, while others are sunset industries.

The Government and employers should pay attention to the development of labor skills in order to conform with the development of technology.

A member of Chulalongkorn University's Economics Faculty, Dr. Tirana Phongmakaphat, said the appropriate minimum wage should adjust more over the inflation rate.

However, the proposal of the employees to make an adjustment to the extent of about 20 baht is very high and would result in higher inflation, he argued.

*Thieves Use Technology in Credit Card Thefts

95WD0269A Bangkok *THAN SETTHAKIT* in Thai
5-7 Apr 95 p 5-7

[FBIS Translated Excerpt] [passage omitted] Police Lieutenant Colonel Surachet Chirawinit, the inspector 3 at Precinct 2, Economic Crime Investigation Bureau, talked with THAN SETTHAKIT about credit card fraud. He said that thieves have improved the methods used to forge cards by using technology. One of the methods now in widespread use among thieves is to record the code on the magnetic bar of the credit cards used by customers to purchase goods from stores. When the store pulls the card through the EDC (Electronic Data Capture) machine, the machine immediately records the code on the card. The thieves then use this code to make a new magnetic bar with the same code and fix it to a bogus card. With the naked eye, it is virtually impossible to tell that the card is a fake. They then use the card at various shops. The thieves involved in this must be working in conjunction with store employees.

"Several credit card holders have come and told us that they have received credit card statements from their banks and that they did not incur the expenses. In such cases, it is the banks that issued the cards that suffer the loss, because card holders are not responsible for paying the charges if they didn't do anything wrong."

A news source from the Economic Crime Investigation Bureau talked about the losses suffered from the use of fake credit cards. He said that from 1994 to February 1995, losses total approximately 20 million baht. The credit card codes of 10 people have been used in this way. Most of these credit cards were issued by the Thai Farmers Bank Ltd. and the Thai Commerce Bank Ltd. This is because some of the credit cards issued by these two banks are still old-style cards with magnetic bars that use a "2-tac" computer system. It is easy to forge these cards. The thieves work in cooperation with the cashier at the store or other store personnel, paying them 30 percent of the profits. Officials have not been able to catch those involved in this. Recently, these thieves did

the same thing in the northeast, with losses amounting to 300-400,000 baht. There, they forged bank CD credit cards.

Prior to this, credit card fraud involved mainly the theft of credit cards, with the thieves using the stolen cards. Most of these crimes involved the theft of foreign credit cards. Postmen working in cooperation with criminals used the cards before delivering them to the real card holders. They were able to do this because the cards had not been signed by the card holder. Besides this, there were forgeries by stores accepting credit cards. There were several ways of doing this. One way was to take a plane plastic card and make a convex imprint on the card, copying the numbers on the invoice for the goods purchased by the customer. Store personnel then pulled the card through the machine, forged the signature of the card holder, and presented the invoice to the bank for payment. Another method that has been used frequently is, when a customer purchases goods from a store, the card will be used to make several invoices. The thieves then forge the signature of the customer, make the invoice out for the maximum amount possible, and then submit the invoice to the bank for payment.

From January to 27 March 1995, for the nine cases brought to the attention of the Economic Crime Investigation Bureau, total losses from credit card fraud are 6,353,055.49 baht.

*Police Information Technology Capabilities

95WD0269B Bangkok *DAILY NEWS* in Thai
4 Apr 95 p 12

[Article by Sombat Khunsombat]

[FBIS Translated Text] In an age when information and technology is playing a major role in all spheres of society, the Police Department is one of the units that must keep up with the changes. In particular, the director-general of the Police Department, who is in charge of more than 200,000 men and who is responsible for the safety of the lives and property of more than 60 million people nationwide, must have a "computer and general information technology system" to help carry out the work, particularly in making decisions and issuing orders quickly, correctly, carefully, and in time with events.

For these reasons, Police General Phot Bunyachinda, the director-general of the Police Department, has established the Data Center, Office of the Police Director-General, to serve as a technology center for collecting and compiling data on the "crime situation" and other administrative data that can be used in making decisions and issuing orders. These data will be used to administer things and to examine, monitor, and evaluate the

activities of the various units under his command, particularly as these relate to the policies on "our police stations."

Besides this, this Data Center will be linked to on-line networks within the Office of the Police Director-General and outside data systems concerned with the activities of the Police Department. These links will be maintained 24 hours a day.

The head of the Data Center, Office of the Police Director-General, will be Police Colonel Phairat Phongcharoen, the "computer policeman," the deputy head of the Data and Information Center. This will be one of the most modern administrative data centers for use by senior administrators, who now need large amounts of data in order to make decisions and issue orders. In actual practice, all the director-general of the Police Department will have to do to call up data immediately is to touch the computer screen set up in his office.

The operations of the Data Center have been divided into three sections. The first is the basic administrative data section. The second is the system that has to do with collecting and examining data and monitoring and evaluating the performance of various units. The third concerns maintaining 24-hour on-line links.

As for basic administrative data, existing programs will be modified for use in collecting, analyzing, and examining various data that the director-general of the Police Department needs to carry out his daily activities. This includes duty data and daily information. And this includes public information that has been disclosed in the press and information analyzed by the units concerned, data on personnel, materials and equipment, and data on the crime situation nationwide.

Concerning the data on the crime situation nationwide, besides compiling, analyzing, and evaluating statistics on the crimes committed and arrests made in serious cases, which include murder, robbery, theft, kidnapping, and arson, data on important events that must be reported immediately, such as explosions, demonstrations, accidents, security, and special cases, will be fed into the system. All of these data will come from the daily reports filed by police stations nationwide.

As for the system having to do with collecting and examining data and monitoring and evaluating the results of the various units, the computer system will be used to help collect and compile data documents, including reports from various units, and to help the director-general of the Police Department make decisions and issue orders. The computer system will be used to facilitate monitoring and evaluating the results achieved by

various units in carrying out the orders of the director-general. And the system will be used to collect other important data having to do with activities carried out in accord with the policies of the Police Department.

As for the third section, which has to do with maintaining on-line links, on-line links will be maintained 24 hours a day. This will include maintaining on-line links within the Office of the Police Director-General and on-line links to the data bases of outside units that can benefit the work of the police director-general and help him in issuing orders. This includes the population registration data base, the ONCB [Office of the Narcotics Control Board] data base, the parliament data base, the data base of the Police Department Data and Information Center, the on-line information data base, and the Internet data base.

As for linking this system to the office of the police director-general, he will be equipped with a touch-type computer screen, which will be set up on his desk. This will facilitate the work of the director-general, who frequently needs to use the data from the computer system.

Besides this, the Data Center, Office of the Police Director-General, will have a data base on laws, acts, and Supreme Court decisions since 1957. These data will facilitate researching and considering legal points having a bearing on the work of the police director-general.

The important thing is that this data center, which has a large volume of important data, will always be of immense value regardless of who is director-general of the Police Department. This is in accord with the policy of the government, which wants public administrators to make better use of modern technology. It has designated 1995 as the "Year of Thai Information Technology."

As for this data center, the Police Department will use this as a model for the data centers to be established at the nine regional police headquarters and, later on, at the provincial police headquarters. In the future, all of these centers will be linked.

Vietnam

Do Muoi Holds MIA Talks With U.S. Delegation

*BK1605153395 Hanoi VNA in English
1441 GMT 16 May 95*

[FBIS Transcribed Text] Hanoi VNA May 16 — The Vietnamese people have always wished to live in peace and stability to build their country, and hoped that big countries including the United States would make more positive contributions to together with Southeast

Asian countries maintaining peace and stability for cooperation and development in the region, said party General Secretary Do Muoi while receiving here today the visiting US presidential delegation.

The presidential delegation headed by Deputy Secretary for Veterans Affairs Hershel Gober, Assistant Secretary of State Winston Lord and Deputy Assistant Secretary of Defense James Wold has visited Vietnam from May 1-17 to review progress on POW/MIA issues since the last such delegation visit in July 1994.

During the reception, Mr Muoi welcomed the delegation's visit to Vietnam and the results of its meetings with relevant Vietnamese agencies. He noted that from the first time Vietnam has considered the settlement of the MIA issue as a humanitarian issue, and is ready to cooperate with the US side in solving this issue. 'In fact, the bilateral cooperation has obtained fine results. Vietnam will continue in its capacity to cooperate with the US involving the remaining issues' he added.

On this occasion, the Vietnamese party chief asked the delegation to convey his regards to President B. Clinton and the US people, and said he hoped that the two countries' relations will be normalized soon so that their cooperation will be implemented in economic, cultural, scientific and technological domains and others.

For their part, Mr. Gober, Lord and Wold thanked the Vietnamese Government and people for their close co-operation and creation of favourable conditions for helping the US side settle the MIA issue. They expressed their satisfaction at the positive development of the Vietnam-US relations, and said they hoped that the two countries are facing with opportunities for promoting their relations and overall cooperation.

While in Vietnam, the delegation was received by Acting Minister for Foreign Affairs Tran Quang Co, Vice Foreign Minister Le Mai, Vice Minister of National Defence Nguyen Thoi Bung, Vice Minister of the Interior Pham Tam Long and Vice Minister of Labour, Invalids and Social Affairs Nguyen Thi Hang. It also had working sessions with the Vietnam MIA Office.

At these meetings, the two sides exchanged views on issues relating to the bilateral relations and issues of common concern.

Bilateral Ties With Mongolia, China Reviewed

*BK1605015895 Hanoi Voice of Vietnam in English
1000 GMT 15 May 95*

[FBIS Transcribed Text] Foreign Minister Nguyen Manh Cam is now in Mongolia before visiting China on May 17th. Our editor reviews Vietnam's relations with both countries.

Vietnam and Mongolia set up diplomatic relations in 1954. The two countries have enjoyed good relations in the 40 years since then. Mongolia, despite its poverty, has reserved for Vietnam warm support and assistance in its cause of national construction and defense. Mongolia has highly valued Vietnam's achievements in its process of renovation and wants to develop cooperation with Vietnam. In March 1994, Mongolian President Ochirbat visited Vietnam and signed with Vietnamese President Le Duc Anh a joint statement affirming closer relations. In the near future, the two countries will sign agreements on economics, trade, science, and technology as well as an agreement on encouraging and guaranteeing investment. Vietnam and Mongolia signed agreement for cooperation program covering the period from 1994 to 1996. The two sides are expected to sign agreements already reached during the visit by the Mongolian president last year.

Foreign Minister Nguyen Manh Cam will visit China on May 17th. Formal relations between the two countries dated back more than five decades. China and Vietnam were comrades-in-arms in their struggles for national salvation and construction. The vagaries of history have tested relations between the two countries. In the last few years, however, relations have been restored to normal and China and Vietnam have exchanged visits of high-ranking officials. In his visit to Vietnam in November last year, Chinese President and Party Chairman Jiang Zemin signed a number of agreements on ways to promote relations and cooperation. He agreed with the Vietnamese leaders that existing problems relating to border and sea borders should be solved through negotiations. On that occasion, three agreements were signed, including the establishment of a joint economic and commercial committee between the two governments, high quality import-export goods, and road and sea transportation.

It is expected that through this visit by Foreign Minister Nguyen Manh Cam, the two sides will reach high-level agreements and further cooperation between the two Foreign Ministries.

Hanoi To Boost Development of Cooperatives

*BK1705090295 Hanoi VNA in English
0618 GMT 17 May 95*

[FBIS Transcribed Text] Hanoi VNA May 17 — Vietnam plans to boost development of cooperatives in a manner consistent with the current economic reforms which have begun since 1986 after the Sixth National Congress of the Communist Party.

'At present, the key issue is to identify the strategy as well as appropriate steps to develop cooperatives in var-

ious fields in the coming years', Hoang Minh Thang, chairman of the Central Council for All-Vietnam Cooperatives, told an international conference on strategy for cooperative development in Vietnam, which opened in Hanoi on Tuesday.

'This is also the aim of the conference which will make precise assessment of the status quo of the cooperative development in Vietnam and also, seek suitable measures and overall plans to renovate and develop all cooperatives in Vietnam', the chairman added.

The conference jointly hosted by the Central Council for All-Vietnam Cooperatives and the International Cooperatives Alliance (ICA) is scheduled to last till Friday.

About 13 reports are presented at the conference focussing on Vietnam's policy and legal documents concerning cooperative development, recommendations of the International Labour Organization (ILO) on this regard, woman role in and world trade with cooperative development and cooperative insurance scheme.

The conference is being attended by nearly 100 delegates including 20 foreigners from ICA, UNDP [United Nations Development Program] office in Hanoi, ILO, FAO [Food and Agriculture Organization], Canadian Cooperatives Association (CCA), and others.

Australia

PRC's Nuclear Test 'Extremely Disappointing'

*BK1705072195 Hong Kong AFP in English
0431 GMT 17 May 95*

[FBIS Transcribed Text] Sydney, May 17 (AFP) — China's nuclear test this week was a "poke in the eye" for people who want to see the tests halted, Australian Foreign Minister Gareth Evans says.

Speaking in a radio interview Tuesday, Evans said the test, was "extremely disappointing."

It was reported on Monday that the test at the Lop Nor test site had a force of between 40 and 150 kilotonnes of TNT.

Evans said that despite the developments "we are still on track for a nuclear non-proliferation treaty coming into force in 1996.

"What both China and possibly France are saying is that they want one last series of tests in order to modernise and stabilise their armoury before that occurs," Evans said.

He added that the long-term consequences of the Chinese test "may not be too destructive but nonetheless it's yet another poke in the eye for the rest of the world that does not want to see these tests continuing."

Evans said he did not think the new French president, Jacques Chirac, "actually wants to test if he can possibly avoid it."

Australia is concerned that Chirac — who takes over as French head of state Wednesday — would agree to further nuclear tests at Mururoa in the South Pacific to complete new weapons designs.

Chirac "says he has to be convinced by the boffins that he doesn't need a test, that it can be done by computer simulation.

"We are waiting to see how his judgement pans out on that, but we have made obviously very clear our feeling that it would be utterly unhelpful to the longer term disarmament cause if they did go down that path," Evans told the Australian Broadcasting Corporation.

Editorial on Keating's 'Bold' Budget Strategy

BK1705094795 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 10 May 95 p 16

[Editorial: "Keating's Budget Gamble"]

[FBIS Transcribed Text] From Mr Keating's point of view, the crucial imperative driving last night's Budget is simple enough — the need to get rates down, and keep

them down. This outcome, more than anything else, is the key to victory at the next election.

In pursuit of this aim, the Prime Minister and his Treasurer, Mr Willis, have resorted to every financial trick they know.

The result is a stunning headline figure — a Budget surplus of \$718 million, a dramatic reversal of the expected \$12.1 billion deficit in this financial year.

It's a bold strategy, and it just might work. With financial markets already in a bullish mood, driving rates sharply lower in the past week or so, it is possible the downward momentum will be maintained. If so, Mr Keating will have pulled off a major political coup.

Yet, while this strategy may end up being a political masterstroke, from the point of the Australian economy it is a bitter disappointment.

For far from taking a tough line on spending, in the process producing the cuts needed to restore fiscal discipline, the Government has done precisely the opposite. It has fudged the hard spending decisions, cashed in government assets worth more than \$5 billion and put its hands in our pockets for more tax revenue.

Once account is taken of asset sales, special dividends from government enterprises, loan repayments and a range of other financial fiddles, the real outcome is not a Budget surplus but rather a substantial deficit. This is what the financial markets should focus on, not the \$718 million surplus.

It puts in stark perspective the Government's claim that, through its Budget surplus and latest superannuation initiatives, a major effort has been made to boost national saving and, in the process, address Australia's current account problems.

That claim, unfortunately, simply isn't true. If the Government were serious about lifting public sector savings much more would have been done to cut into key areas of government spending, notably middle-class welfare. Instead, its major spending initiative — the new maternity allowance — is expected to go to all but 15 percent of women who give birth.

Rather than indulging in this sort of largesse, the Government should have taken a much tougher line on means testing all social security payments, particularly the aged pension.

Tightening eligibility for this benefit would not only have boosted public saving, it would also have provided a much greater incentive for individuals to lift private saving. Instead, new deeming rules are likely to work in

the opposite direction — softening the means test, not tightening it.

The Budget's main revenue measures — in particular, the higher corporate tax rate and lift in wholesale sales tax — also have little to recommend them. This is partly because of the way all tax increases simply allow governments to avoid the sort of stringent reviews of spending which are so essential to keep government waste under control.

In the case of the decision to lift the corporate tax rate, the biggest problem is not the inability of Australian companies to pay — the solid outlook for profits means this shouldn't be an issue — but the fact that it gives precisely the wrong signal to offshore investors.

One of the main reasons for the original cut in the rate from 39 percent to 33 percent was to attract such investors by narrowing the gap between Australia's corporate tax rate and those of many of our Asian neighbours. The partial reversal of that initiative has now all but negated both the financial and, equally important, the psychological benefit of the original cut.

The decision to hit companies was, no doubt, partly driven by the Government's need to be able to sell its Budget to the Australian Democrats and the Greens to ensure passage in the Senate. Certainly, both have shown little public enthusiasm for higher taxes on individuals.

Much the same argument can presumably be put forward to justify the failure to take a tougher line on spending. Not only were the minor parties unlikely to support substantial cuts, there also was little chance of the Opposition doing so, although it is philosophically in favour of reducing spending.

Yet it is likely that Mr Keating, faced with the prospect of an election by early next year, would have gone for the easy options irrespective of the need to win Senate support for the Budget.

By doing so, he has reduced the risk of the Budget directly triggering any damaging electoral fallout. Despite his extremely creative approach to producing a surplus, what he hasn't reduced is the possibility of serious indirect costs in the form of a continuation of high rates and a vulnerable exchange rate.

If this turns out to be the case, Mr Keating may well end up paying the ultimate electoral price for what, overall, has been three years of fiscal indulgence.

Report Examines Defense Budget Issue

BK1705111795 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 8 May 95 p 18

[Report by Geoffrey Barker; first paragraph is THE AUSTRALIAN FINANCIAL REVIEW introduction — all figures in Australian dollars unless otherwise specified]

[FBIS Transcribed Text] The Defence Department is the mother of all spending departments, yet, year after year, it escapes any serious hacking from the Budget knife. With no identifiable immediate threat and with spending not much below the defence budgets of all six ASEAN nations combined, the question is: how do they do it? Geoffrey Barker reports:

Some years ago a bright young economist recruited into the Defence Department's budget office was called into his supervisor's room on his first day at Canberra's Russell Hill defence complex.

The supervisor looked hard at the young economist and demanded: "Who is The Enemy?". The young man started to recite a list of countries: The Soviet Union, North Korea, China, Indonesia... Interrupting his litany, the supervisor beckoned the economist to the office window and pointed to the Treasury building on the far side of Lake Burley Griffin. "That," he said, "is the enemy."

Today the young economist is a senior bureaucrat running the defence budget. And it is perhaps not surprising that when it comes to fighting budget battles there are few forces more formidable than the Australian Defence Force. Despite a currently benign strategic outlook, despite intense government efforts to cut spending, tomorrow's Federal Budget will provide about \$10 billion for defence spending in the coming financial year.

The Department of Defence, the mother of all spending departments, is the fourth biggest department in terms of government outlays, behind only social security and welfare, health and education.

Like other departmental budgets, the defence budget is expected to be pruned marginally harder than originally expected this year. But senior officials say Defence will be able to operate comfortably with the budget which, as usual, will represent almost 8 percent of total Budget outlays and around 2 percent of gross domestic product.

At present, the Defence Department is engaged in a massive \$28.4 billion capital equipment expenditure program designed to give Australian military forces awesome capability to project naval and air power into the seas and skies to Australia's north and northwest.

The 18 main projects, on which \$2 billion was spent last year, include the building of six state-of-the-art Collins submarines, eight ANZAC frigates, two FFG class frigates, the so-called Jindalee over-the-horizon radar network, the acquisition of 75 F/A-18 Hornet fighter aircraft, and updating of F-111 aircraft.

Major Australian Defence Capital Equipment Projects

Current approvals	\$millions
Eight ANZAC frigates	5,593
Six Collins submarines	4,919
75 F/A-18 Hornets	4,482
Two FFG frigates	1,201
Jindalee radar network	1,069
16 Seahawk helicopters	653
Raven radio system for army	620
Modernising three guided Missile destroyers	540
F-111 avionics update	472
112 light armoured vehicles	277
Ten electronic support measures for P3C aircraft	207

Despite significant increases in defence spending by increasingly affluent East Asian nations, Australia is still spending far more on defence than any of the six ASEAN nations (Indonesia, Philippines, Thailand, Malaysia, Singapore, and Brunei), and not much less than all of them combined. Moreover, Australia's spending is focused on power projection capability, while most ASEAN spending is focused on ensuring domestic tranquility.

Comparative defence spending 1993 (latest complete figures) — constant 1990 \$US millions and a percentage of GDP

Country	\$	%
Australia	6,182	2.4
Thailand	2,676	2.6
Singapore	2,282	5.2
Indonesia	1,840	1.4

Country	\$	%
Malaysia	1,603	2.9
Philippines	644	1.3

By encouraging the growth of a domestic defence industry — particularly by deciding on local manufacture of big-ticket items such as the Collins submarines, the eight ANZAC frigates, and two FFG frigates — the Government is finding itself increasingly drawn towards the attractions of the high-technology international defence export business.

All of this has happened in the fairly short time since the mid-1980s when the Federal Government moved to embrace a policy of defence self-reliance aimed at ensuring Australia's ability to defend itself without help from great and powerful friends. It represents a major metamorphosis in Australian defence and foreign policy.

Yet there is little, if any, public debate on the size, justification or effectiveness of the current massive levels of defence spending, or on the adequacy of measures to ensure that the Defence Department is accountable for its spending.

This is partly because of the difficulty of deciding how much and what is enough to ensure Australia's security against the background of the sombre and uncertain long-term strategic assessment in last year's Defence White Paper.

It is partly because of the sheer complexity of the defence budget and the manner in which it is distributed among the eight programs which cover the Defence Department's outlay categories of capital investment, personnel and operating costs.

It is partly because there is no political pressure to constrain costs more than marginally. Despite surveys showing that Australians favour reductions in defence spending, the Government is under no pressure on the issue. In fact, the Opposition says it would spend more on defence if the country could afford it although it would alter some current priorities and insist on tidier housekeeping.

It is partly because those who do question the level of defence spending are treated with disdain or worse by both the military and civilian ranks of the Defence Department, and by the Defence Minister, Senator Robert Ray, one of Canberra's toughest and most intelligent political operators, who sees the protection of defence budgets as a foundation stone of his political power base.

It is partly because the Finance Minister, Mr Beazley, the Government's chief budget-slasher, is a former Defence Minister who believes Australia's need to provide for its own defence requirements has never been greater and that the defence budget is broadly in good shape. He may have shaved the department close this year, but has not inflicted severe pain.

In fact, the defence budget has been declining marginally following a government decision in 1993-94 to cut funding by 0.5 percent per year until 1996-97, when funding levels will again be maintained in real terms to the turn of the century.

To offset the cuts, Defence receives regular supplementary payments to undertake activities such as UN peace-keeping operations, the Gulf War and purchasing F-111 aircraft. Furthermore, Defence is one of the few departments with a global budget, which gives it freedom to internally adjust allocations with little scrutiny.

It can carry over under-spent funds of up to \$130 million for capital initiatives. And it has been able to retain savings it has made, and is making, through the Commercial Support Program, by contracting out work previously done inside the military.

From next year, the Government will provide Defence with five-year budget commitments which may enhance long-term consistency in defence planning, but also make Defence accountability assessments even more difficult. It is, moreover, extremely difficult to judge how much long-term strategic value Australia is getting for the billions of dollars it is paying to domestic industries created and built up to supply the submarines and ships and all that goes with them.

According to last year's White Paper, present defence funding levels, even with further retained savings and efficiencies, "will not support the program needed to maintain the effectiveness of our defence capabilities". The White Paper says defence spending at current levels will allow present plans and projects to proceed for the next few years, but it calls for "modest real growth" in spending later this decade.

The most prominent critic of defence spending is former Defence Department deputy secretary, Mr Allen Wrigley. Mr Wrigley, also a former director-general of The Australian Security Intelligence Organisation argues the Government could cut some \$2.3 billion from the defence budget in the present benign strategic circumstances and make real inroads into the Federal Budget deficit.

Mr Wrigley said last week he would make the cuts by getting rid of expensive aging weapons systems, like the F-111 aircraft and the navy's three DDG guided missile

destroyers, and by capping spending on programs like the Collins submarines, if they over-ran projected costs. At present, he said, defence spending was driven by the "aims, ambitions and status requirements of the service chiefs rather than by considered judgments on the strategic outlook".

Mr Wrigley said building up defence industries was the worst way to invest government funds. The world was awash with surplus defence industry, making exports extremely difficult to win. Mr Wrigley said the Government had built up the industries for reasons of political presentation and job-creation.

No senior Defence Department officer would discuss Mr Wrigley's views last week. Defence spokesman Brigadier Adrian D'Hage said: "We don't want to dignify Mr Wrigley's views."

But Professor Paul Dibb, of the Australian National University Strategic Defence Studies Centre, said he rejected Mr Wrigley's analysis because it would be wrong to ditch a process now putting in place an independent and uniquely Australian defence force structure.

Professor Dibb, author of the 1987 watershed report on Australia's defence, said the regional balance of power could slide suddenly and quickly against Australia in the next decade. Between now and then, he said Australia had to put in place a clever, knowledge-based defence force robust enough to defend Australia and to provide a lead among like-minded independent powers to Australia's north.

By building up local defence industries, he said the Government had spawned a lot of clever industries in the areas of surveillance equipment, command and control and sensors which were the important modern force multipliers.

While Mr Wrigley's views are not widely supported, many supporters of defence spending, including Opposition defence spokeswoman, Senator Jocelyn Newman, express concern about some spending. They point to the 1993-94 defence annual report which reveals that the department spent \$53.2 million on 1,710 consultancies and \$86.2 million on "industry involvement and contracting", a program that seems to be an internal local industry lobby.

In the same report, and in several separate reports, the Auditor-General has expressed qualifications about the Defence Department's accounts and procedures — qualifications that the department tends to either reject or shrug off.

Both Senator Newman and the WA [West Australia] Green senators are critical of the department's reluctance to allow many officials to appear before Defence Estimates Committees, and by the attitude of Senator Ray towards the committee.

Senator Newman says few officials are allowed to speak to estimates committees although the department invariably appears with a big team of advisers. Green economic adviser Mr Dhanu River says Senator Ray has dealt with defence spending queries from Senator

Dee Marghetts essentially by abusively dismissing her questions as stupid.

As prudent fighters, defence officials evade and confuse their budget enemies if possible, but attack them mercilessly when necessary — and avoid engagements where they might have to demonstrate that they are getting maximum value for the billions they spend each year.

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